Daily Report

Latin America

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CONTENTS

CARIBBEAN

Cuba

Havana Views Factors of U.S.-USSR Entente 1
Foreign Minister Comments 1
Risquet Meets With Italian Foreign Minister 1
CSSR Foreign Ministry Officials Arrive 1
Peruvian Parliament Delegation Ends Visit 2
Dominican Republic Research on Trade 2
Highlights of Havana PCC Assessment Meeting 2
Castro Speaks at Julio Diaz Hospital 6
Castro Discusses Publicity for Expo Center 8
Castro Tours Habana Vieja Child-Care Centers 8
Fidel Castro Speaks at Education Congress 9

Haiti

Government Announces New Election Calendar 9
PUCH's Bourjolly on Anticommunist Campaign 10
BED/West Message to Electorate, BEC Members 11

Jamaica

Government Cancels Police, Military Leave 11

Martinique

French National Front Visit Thwarted 11
French Authorities To Press Charges in Protests 12

MEXICO

Spokesman on Occupation of Japanese Embassy 13
Demonstrators Vacate Embassy *[EFE]* 13
De La Madrid Meets Japanese Trade Delegation *[EL DIA 3 Dec]* 13
Deputies Approve 'Emergency' Wage Hike *[THE NEWS 3 Dec]* 14
Workers, Students March *[AFP]* 14
PSD Supports Cuauhtemoc Cardenas Candidacy *[THE NEWS 6 Dec]* 15
Briefs 15
Public Debt Repayments 15

CENTRAL AMERICA

Costa Rica

Arias Comments on U.S. Policy, Nicaragua *[Hamburg DIE ZEIT 11 Dec]* 16

El Salvador

Government Human Rights Official Murdered 17

Guatemala

Cabrera Discloses Rights' Plan To Kill Cerezo *[ACAN]* 17
Cerezo Dismisses Possibility of Coup D'Etat *[ACAN]* 17
Cerezo To Ask Presidents To Invite Castro *[ACAN]* 18

Nicaragua

Borge: U.S. Pilot 'Probably' To Be Tried 18
Contra Leaders Send Protest Letter to CIA *[EL NUEVO DIARIO 10 Dec]* 19
Contras Threaten Public Transportation *[Guatemala City]* 19
CSSR Deputy Minister Visits; Comments on Aid 19

SOUTH AMERICA

Argentina

Commentator Discusses Military 'Crisis' 21
Part I *[LA PRENSA 6 Dec]* 21
Part II *[LA PRENSA 7 Dec]* 22
CGT Strike Called 'Partially Effective' *[BUENOS AIRES HERALD 10 Dec]* 23

Brazil

Columnist on Minister Bresser's 'Anguish' *[O GLOBO 9 Dec]* 24
More Chileans Enter UN Commissioner's Office 24

Chile

UN's Volio Arrives To Report on Human Rights *[EFE]* 24
Garcia on UN Resolution *[EFE]* 25
Volio on Resolution 25
Poll on Opposition Presidential Candidate 25
National Renewal Party President Resigns 25

Colombia

Barco Says Ochoa'Will Not Be Extradited' 25
FARC Responsible for Legislator's Death *[Buenos Aires REUTER]* 26
Briefs 26
Relations With Western Samoa 26

Paraguay

Envoy to U.S.: Relations 'Normal, Cordial' *[ULTIMA HORA 10 Dec]* 26
ECLA Releases 1986 Foreign Debt Figures *[HOY 7 Dec]* 26
Balance of Payments Deficit 'Unsustainable' *[HOY 9 Dec]* 27
PLRA Members Condemn Electoral 'Fraud' *[HOY 9 Dec]* 27

Peru

Garcia Addresses Economic Situation, Goals 27

Cuba

Havana Views Factors of U.S.-USSR Entente

FL102259 Havana Television Service in Spanish 0100 GMT 9 Dec 87

[Commentary read by Pedro Martinez Pirez]

[Text] The meeting in Washington between the leaders of the Soviet Union and the United States and the first nuclear disarmament agreement signed after 6 years of negotiations is viewed as a positive step, with varying degrees of intensity depending on the circumstances, in all countries of the world.

The agreement, which will have to be approved by the U.S. Congress from 19 January on, includes the dismantling of 1,139 medium- and short-range missiles with about 2,000 warheads; 703 of these missiles are Soviet-made. This means wiping off the face of the earth just under 5 percent of the present nuclear arsenal. This seems like little, but it could pave the way for more far-reaching agreements, especially one to get rid of 50 percent of nuclear strategic arms as proposed by the Soviet Union.

The 8 December accord reached in Washington can be analyzed from various angles. As regards the Soviet Union, it is a conscious and coherent act in harmony with Soviet policy formulated even by Lenin as far back as 1917. It is also the result of the lucid and persevering work undertaken in difficult circumstances by the current Soviet leaders before one of the most reactionary U.S. administrations of all times.

Even if it appears paradoxical, for the United States it is an act of political realism, unusual in Washington in the past few years. In our opinion, there have been several factors that have paved the way for common sense in the United States. Among these we must point out the Soviet Union's political will and military power, the deterioration of Reagan's presidential image because of the Irangate scandal, the recent Republican electoral defeat, the setbacks with Congress, and the effects of the dollar's haphazard fall, in addition to the undisputed weight of world opinion and that of sectors in the United States that favor peace. As can be seen, the factors are almost all circumstantial in the case of the United States. We are forced to curb our optimism and to wait until the agreement is actually implemented.

The underdeveloped countries, which constitute the great majority of humankind, have also perceived the important nature of this agreement. Together with peace, they long for development. An essential source for this development must come precisely from the trillions of dollars spent in arms each year in a world in which the number of people who die from hunger or curable disease exceeds the total of victims in World War II. This is the more so when the Third World debt amounts precisely to a trillion dollars.

The Soviet Union bears no historical responsibility for the underdevelopment of the Third World, nor does it seize its riches. With this step in Washington, the USSR has shown it is the principal standard bearer for peace and the natural ally of countries that perceive in actions such as today's the beginning of a process that will lead to the establishment of the new international economic order, and to an end to imperialist actions in Central America, southern Africa, and other regions of the Third World.

Foreign Minister Comments

FL100410 Havana Radio Reloj Network in Spanish 0305 GMT 10 Dec 87

[Text] Isidoro Malmierca, foreign minister of Cuba, told the Soviet news agency TASS today the short and medium-range missile limitations agreement signed by Soviet leader Mikhail Gorbachev and U.S. President Ronald Reagan is the result of the USSR's persistent peace policy. Terming the agreement a historic event, Malmierca added it is the first step toward the elimination of nuclear weapons and shows that although the negotiation process on the subject is difficult and rugged it can be accomplished successfully.

Our foreign minister noted that although it is the two superpowers' job to hold nuclear arms talks, it is also everyone's duty to struggle to achieve disarmament. Malmierca asserted that our country hopes the process which began in Washington will continue and that we can reach the year 2,000 free of nuclear weapons.

Risquet Meets With Italian Foreign Minister

FL101323 Havana Tele-Rebelde Network in Spanish 1200 GMT 10 Dec 87

[Text] PCC Politburo member Jorge Risquet has met in Rome with Italian Foreign Minister Giulio Andreotti.

The two leaders agreed that the accord to destroy medium- and long-range missiles, which was signed by Soviet leader Mikhail Gorbachev and U.S. President Ronald Reagan, is a historic step.

Risquet and Andreotti expressed their hope that this accord is the beginning of future agreements on nuclear weapons so they can be totally eliminated by the end of this century. They also called for prohibition of chemical weapons and a decrease in conventional weapons in Europe.

CSSR Foreign Ministry Officials Arrive

FL100350 Havana Television Cubana Network in Spanish 0247 GMT 10 Dec 87

[Text] Dusan Ulcak, deputy foreign minister of the CSSR, has arrived in our country for a friendly working visit. Ulcak is accompanied by Marian Masarik, director of the Latin America and Caribbean Department of that brother country's Foreign Ministry. They were received

at the Jose Marti International Airport by Miguel Brugueras, vice foreign minister, and Stanislav Svoboda, CSSR ambassador to Cuba, as well as by other officials from the Foreign Ministry and the diplomatic mission.

Peruvian Parliament Delegation Ends Visit

FL100316 Havana Radio Rebelde Network in Spanish 0000 GMT 10 Dec 87

[Text] Peruvian Ambassador Carlos Alberto Higueras has said a Peruvian Parliament delegation's visit to Cuba, which ended today, could result in increased cooperation and a greater closeness between the parliaments of the two countries. The ambassador added the visit was positive and noted the Peruvian Parliament members were received at the highest levels of the Cuban Government.

Dominican Republic Research on Trade

FL101436 Havana Tele-Rebelde Network in Spanish 1200 GMT 10 Dec 87

[Text] Economists [words indistinct] joint research on possible economic and trade relations between the Dominican Republic and Cuba. This decision was agreed upon by the Dominican Association of Economists, Condeco, and the National Association of Cuban Economists, ANEC.

The plan includes a scientific event to be held in the Dominican Republic in July 1988 with the participation of Cuba and other Caribbean countries.

Highlights of Havana PCC Assessment Meeting

FL101418 Havana Television Cubana Network in Spanish 0204 GMT 2 Dec 87

["Highlights" of the Havana Province PCC assessment meeting presided over by Commander in Chief Fidel Castro Ruz, president of the Councils of State and Ministers, held at the Palace of Conventions in Havana on 27-29 November; delegates identified by caption—recorded]

[Excerpts] [Rosana Ross] Commander, I think the first thing I should say is that your presence at that factory [not further identified] was a great encouragement for us. We were in a state of total disorganization at the factory. Workers, whom we will describe as honest, would tell us: Comrade, we came in every morning and punched our cards but, since there was no one to check on us, and since we were doing nothing, we would just leave. We were happy to come in and get our pay every 2 weeks or every month. There was no concern for production; there was no concern whatsoever. [passage omitted]

Commander, today we can say that even though we are not totally satisfied, because we still have much to do, we feel we are walking down the right path. We have stabilized our production and have guaranteed the supply of the main products necessary for construction. For example, in 1986 we produced 4,944,000 units, and in 1987 we have already produced 7,234,000 units.

[Castro] How much did you produce in 1986?

[Ross] In units or value?

[Castro] Value.

[Ross] We produced 4,944,000 units.

[Castro] How many units will you produce in 1987?

[Ross] We will produce 8 million.

[Castro] And next year?

[Ross] We will produce 16 million.

[Castro] You are going to produce 16 million units with half your usual number of workers?

[Ross] With half the number of workers.

[Castro] And you will produce a good quality product?

[Ross] A good quality product.

[Castro] With a very low percentage of damaged products?

I understand that you received an award at the fair.

[Ross] Yes.

[Castro] You have said nothing about this.

[Speaker] They got two awards.

[Castro] You received two awards during the International Fair.

[Ross] We received two awards during the International Fair held in Havana. We received the Iberian-American Award presented by the International Chamber of Representatives, and we also received a gold medal for the excellent quality of our enamel products, for all the products we had on exhibit, for our honesty, good work, and discipline. All this is reviewed prior to presenting an award.

[Castro] And you are planning to export 2 million [not further specified] next year.

[Ross] Yes, we are planning to export 2 million.

[Castro] Do you think you will be able to satisfy the demand there is for these products? I don't think you will be able to do this in a year. There is much demand for

your products. What you produce is necessary for our construction plan. If we don't have these products we have to import them, and we don't have what we need to import them. So we have the factory to produce these products.

How long did it take you to make all these changes?

[Ross] It took us 10 months, Commander. [passage omitted]

[Castro] Is the director of the shipyard here today?

[Speaker] Yes, he is here.

[Castro] Where is he? I would like to ask him some questions.

[Abdias Peon] Yes, Commander, Abdias Peon, director of the shipyard.

[Castro] You have not let me ask my question. Are you new on the job?

[Peon] I was appointed to head the enterprise in January, but you can ask me all you want. [laughter]

[Castro] What did he say?

[Speaker] That you can ask him all you want.

[Castro] That's good. The secretary of the party says that you have more authority than the former administration.

[Peon] Yes, and this is the result of the rectification process. The political, mass, and administration sectors have achieved a work unity that did not exist in the past. In the past they had different opinions, mistaken opinions that were either corrected or improved after the comrades became involved in the rectification process. As a result of this rectification process, all the workers, from the top to the bottom, are now transmitting on the same frequencies; our ideas and policies are the same.

[Castro] How has the party contributed to increasing the authority of the administration in that area?

[Peon] With its direct support expressed during our assemblies and before the council of directors; by promoting good workers; by supporting our political work at the production assemblies; and by directing our party leaders. The party has helped us resolve our problems and determine which are social, administrative, or ideological problems. It has helped us direct our actions to achieve a specific objective.

[Castro] Right. I am going to ask another question. How much did you produce in 1986?

[Peon] In 1986 we produced 18 million [not further specified].

[Castro] How much do you plan to produce this year?

[Peon] This year we plan to produce 21.4 [million].

[Castro] And how much do you plan to produce next year?

[Peon] We plan to produce 21.8 [million].

[Castro] You also had to confront the problem of a chaotic wage system implemented previously and which was not in accord with your production. This resulted in very high wages; I think some workers were being paid 1,000 pesos.

[Peon] Yes.

[Castro] We were talking of an average wage, but some were getting very high wages. Don't think it is easy to correct this kind of problem. But the fact that our workers reacted the way they did, and responded the way they did, is proof of the kind of workers we have and the fact that we were the ones who were hurting them; we were the ones who were corrupting them. We were getting them accustomed to these alien pay systems. Today we are applying the socialist formula at this center.

[Peon] Yes, we are, and we are working on this.

[Castro] The socialist pay system is now being implemented.

[Peon] We are explaining this to the workers, and they understand.

[Castro] The saying that a tree that grew twisted... [changes thought] You had to straighten something that had grown twisted; the same has happened in many other places. However, your area was one of the most problematic and conflictive. I asked Lezcano to study the centers with the most problems. We were having serious problems at the Enrique Barahona, Vanguardia Socialista, and I believe we also had some serious problems at the (Ulyanov) railroad shops. We had to study all the problems at those centers to learn what brought them on, what measures had been taken, how the party was working, how the administration was working, and what we were doing to resolve those problems. [passage omitted]

[Arnaldo Perez] Comrade Lezcano and Comrade Fidel, as you already know, our factory is carrying out a plan to recover the work attitude that was lost. This is being done through meetings to analyze all the problems confronted by the production shops.

Regarding our production plan, we are working on a new line of products, if you wish to describe it as a new line, that are truly necessary. As we explained during the meeting with the enterprises, we are not producing value.

[Castro] In value you are producing more than last year.

[Perez] Our production in value will be almost the same as last year. Last year we produced 12.4 million pesos, but during the meeting with the enterprises I explained to you that of that 12.4 million pesos, 2.7 million pesos were for services rendered. For example, when we assembled the (?trough), we would buy parts, add them to the parts we produced, and sell them at another price. Today, the railroad (?trough) that we produce is worth 4,500 pesos. In the past, we bought parts, added them to our parts, and sold the finished product for 11,600 pesos. That is why we say that in 1986 the factory only produced parts in the amount of 9.7 million pesos.

[Castro] And you are now producing 12 million pesos in parts?

[Perez] In parts.

[Castro] Right.

What can you tell us about the variety of products produced last year and the variety of products produced this year?

[Perez] It is difficult to speak of last year's variety because no record was kept of this. Records were kept of tons of parts produced, but not of the different products they were producing.

[Castro] They recorded production by the ton and not by the unit?

[Perez] Well, they recorded the units but they did this in an overall manner, not the way we are doing it this year. This year we are keeping a record according to the units we supply to each of our buyers. We supply each buyer with the established number of parts, and these are the records we keep. At the time of the meeting with the enterprises I mentioned that we had 43 buyers; today we have 45 buyers. We keep a record of each part sold to each of them. However, this record is not kept according to the amount of the sale, but per unit supplied.

[Castro] I see.

What about the problems involving attention to the worker and the old installations? How are you going to resolve this?

[Perez] That is a bit more complicated. The factory needs a lot of maintenance. We are currently doing this, especially at the foundry. We are repairing all the equipment we can. In mid 1988 we are planning to halt production for 45 days at our No 3 workshop so that extensive maintenance work can be done. The sand system at this work shop is giving us many problems and much work has to be done here. The problems at this shop affect its production.

[Castro] Are you going to halt production at that shop or throughout the factory?

[Perez] No, only that shop.

We are also having lots of problems with our moving vehicle parts plant. This plant has faced many problems. We have not been able to exploit this plant efficiently.

[Castro] Why?

[Perez] For several reasons: fluctuating manpower; and the fact that many times we don't have the spare parts we need to repair the equipment. These spare parts come from the...

[Castro, interrupting] Spare parts from where?

[Perez] The capitalist area.

[Castro] Are these spare parts for the machines?

[Perez] Yes.

[Castro] What is your current spare part deficit?

[Perez] I did not understand your question.

[Castro] What is your deficit? What do you need to perform maintenance on the equipment?

[Perez] After attending several meetings and analyzing the bids presented, we have found that we will need $1 million...

[Castro, interrupting] How much?

[Perez] We need $1 million for the moving vehicle parts plant. At this moment we have $440,000, but we still need approximately $600,000 in order to repair the whole plant.

[Castro] How much is that plant currently producing?

[Perez] The plant is currently producing approximately 2.8 million pesos.

[Castro] How much could it produce if it were fully operational?

[Perez] Fully operational? That plant should produce somewhere between $5 million and $6 million, excuse me, pesos, but if we consider what we are importing...

[Castro, interrupting] Yes, I understand. What do you make at the moving vehicle parts plant?

[Perez] We make chains, links; we are producing the chains and components for the Komatsu bulldozers and the rice harvesting machines.

[Castro] Have you ever exported your products?

[Perez] In the beginning we were exporting some products, but currently we are not exporting. One of the problems that affects our exports is the quality of the product.

[Castro] If you could export some of those products you could purchase your own spare parts.

[Delegate] Commander, last year, before we began to make changes, we were producing approximately 13,200 meters of material a day. We are currently producing between 15,500 and 16,000 meters a day. We are producing more.

[Castro] However, there was a time when you were producing even more.

[Delegate] Yes, Commander, but we have had some problems and, I think you know about this. Comrade Jaime [not further identified] and Comrade Lezcano visited the factory recently and we explained this problem to them.

As you know, we decided to produce in 6 hours what we were producing in 8 hours. We followed the same guidelines and we even increased the workload. Each comrade was responsible for four looms; we made each comrade responsible for six looms. We reduced the number of working hours by 25 percent and, from one day to the next, we saw that the amount of work done had increased, also by approximately 25 percent. The workers have increased production by 18 percent, and the year's goals are being fulfilled by 93.2 percent.

I recall that during your visit to the factory you said it was important that we protect the worker's wages. We have studied this and we find that there are still some comrades who are affected because they have not met their goals. We have studied this situation, based on the experience of the Ariguanabo and Alquizar factories, and we have worked the problem out in such a way that the worker's wages are not affected. This situation was resolved last month, and those workers are now fulfilling their goal.

We don't feel that our 6-hour experience has been fully exploited...

[Castro, interrupting] What a pity that this year was a dry one.

[Delegate] Dry year?

[Castro] Yes. The year you produced the largest number of towels has been a dry one. [laughter]

[Delegate] But we are now getting some rain, and that makes us happy.

[Castro] Good.

I have been told that this year you produced almost 5,000 tons.

[Delegate] Our textile factory will finish the year with... [changes thought] Our factory had set itself a 5,900-ton goal. However, as I explained earlier, Commander, we were a bit too optimistic and we did not have enough experience. We realized that the country needed our product, so we accepted a 74-percent growth goal. However, today we realize that it was too much in view of the manpower we had.

[Castro] Yes. Are you planning to produce 6,200 tons next year?

[Delegate] Well, we are talking this over with the ministry and the trade union. We are planning to produce 6,200 tons, which represents a 26- or 27- percent growth.

[Castro] This is what you have proposed?

[Delegate] Yes, this is what we have proposed.

[Castro] Then when are you going to reach 15,000 tons in production?

[Delegate] That depends on the thread we use. The thread we are working with today is much thinner. Therefore, although we would be able to produce 15,000 tons, we would be producing 13,600 tons.

[Castro] This means that you are still far from reaching your total production capacity.

[Delegate] Yes, we are still far from this. If our proposed plan is accepted we will be producing approximately 50 percent of the expected production.

[Castro] That would be next year, 1988?

[Delegate] In 1988.

[Jorge Lezcano] The capital city's leading enterprise, Antillana de Acero, has the floor. Comrade Yeyo Rogelio Lopez will now speak.

[Lopez] Everyone knows that Antillana de Acero is currently producing at its maximum capacity and that it has been covering the demands of the capital city and the rest of the country. Antillana de Acero's goal was to produce 350,000 tons of steel and, in 1987, it has already produced 400,000 tons.

Our steel billet production goal is 350,000 tons. The most the enterprise has ever produced has been 341,000 tons.

[Castro] Yeyo, what was this you were saying that the party, and everyone else, visits the enterprise after 2300? How many times a week is this done?

[Lopez] We, the instructors, visit the enterprise twice a week.

[Castro] How many hours do you work?

[Lopez] We get there at 1700, after working hours, and stay until 2300. There are other days when we meet with the labor leaders, which is the way we have to strengthen our ties with all the workers. It could be that some of these workers are on their day off or are in the middle of a shift change. But that is not the problem. The problem is that they are demanding that we participate in the construction of the social works. That is the problem.

[Castro] The workers are making those demands?

[Lopez] The workers are demanding that I work...

[Castro, interrupting] This means that if you have the material you need you can do what you please there?

[Lopez] Yes. We have the material, we prepare the plans, we prepare this and that. We...

[Castro, interrupting] Does this mean that you have more manpower than you need?

[Lopez] No, I don't think so. [laughter]

[Castro] Come again? [laughter]

Who is building the polyclinic?

[Lopez] One of our brigades with the support of the ECOI [Industrial Projects Construction Enterprise] 3 brigade.

[Castro] Did you mention the polyclinic.

[Lopez] What?

[Castro] You did not mention the polyclinic.

[Lopez] We do have a polyclinic; we are working...

[Castro, interrupting] When will it be completed?

[Lopez] It should be completed some time during the first 3 months of 1988.

[Castro] Is working on the polyclinic harder than working on a day-care center? Is it twice as much work?

[Lopez] Yes, I think so. I think the polyclinic...

[Castro, interrupting] How many square meters?

[Lopez] Its geographic position is very different. [laughter]

[Castro] Oh, boy, a different position. [laughter] How many meters?

[Speaker] More than 2,000 [square] meters.

[Lopez] Oh, I thought you were talking about something else. [laughter]

[Castro] Yeyo, once this construction project is completed you will know more about construction than steel.

[Lopez] No. At this moment...

[Castro, interrupting] You are an overall enterprise. You produce treenails and you use them in your construction. You produce treenails and distribute them in the form of day-care centers and family doctor home-offices [laughs] with the doctors already living there.

That's fine. That is a very important industry. We must maintain the workers' spirit and morale. We don't want problems to come up there. That won't happen, will it?

[Lopez] Commander, I believe that when the party is right in the middle of everything problems won't arise.

[Castro] And the party giving the example, being the first at everything.

[Lopez] I am the first one to put my gloves on.

Castro Speaks at Julio Diaz Hospital

FL101920 Havana Tele-Rebelde Network in Spanish 1418 GMT 5 Dec 87

[Speech by President Fidel Castro at inauguration of Julio Diaz Hospital in Boyeros, Havana City Province, on 4 December—recorded]

[Text] You have organized a contingent of workers, young people, members of the PCC and the Union of Young Communists [UJC], and outstanding workers. A very serious, very hardworking contingent was formed—[sound of airplane flying overhead] let's give him a chance to go by [laughter] so he won't be a nuisance [Castro chuckles]—very hardworking, which became a model for construction workers.

They came here, they began to work, they saw the hospital. They were soon impressed with the idea of the importance of the hospital and with the humanitarian nature of the services rendered here. They went to the hospital, saw what kind of service the hospital provided. They were also impressed with the human sensibility, the work spirit of the hospital's collective. All that helped,

encouraged them. Before we realized it, this contingent, in a practically spontaneous manner, was working 14 hours a day. They were also working Saturdays and Sundays.

Almost none of them were construction workers. They had to learn on the spot. Thirty-seven women were trained as tile layers. That group of women took part in the construction at the same pace and with the same intensity. They even trained some members of other minibrigades that came here to help and then returned. According to what (Fillo) said, the roster had 27 women; but more were trained among the group of volunteers. This contingent became a model of the new work spirit. [applause]

They tell me I have been here 15 times. Yes, this one makes 15. It might seem too much. But I wanted to follow the contingent's work closely. Besides, since this is on the road to the airport, I tended to stop by on my way back. If I had a visitor—such as Daniel Ortega in August—I told him: I'm going to show you how the people are working there when we go by. Other times, I came expressly to see what was happening here and how the project was progressing. [applause]

Of course, we haven't finished here. No one has mentioned something very, very important is now beginning: the rehabilitation center. We have rehabilitation wards here and there now. But now we are going to start building a center. If I was not misinformed, it is going to be 17,000 square meters. A tremendous project. (Fillo), how many square meters is the one we just completed? Four thousand? Well, what's coming is more than four times that size. Are you sure it's 17,000?

I imagine the hospital doctors, planners, everybody got together. Who knows if there will be more or fewer meters? Generally speaking, when the time comes to build—I know what they'll do! When they see they have a good construction force, and since they want to build something excellent—with which we agree—they will have 17,000 square meters with a roof over them. Isn't that so, Martinez? You should know why. You must know much better than I because I haven't had time to check up on each square meter you have proposed. We trust you! We trust the planners.

There's another reason, which I'll mention later.

Of course, the fact I am saying I will mention it later doesn't mean I am going to talk a long time. Just a few things I want to bring up one by one.

We are going to have an extraordinary rehabilitation center. We are doing this with the cooperation of the Yugoslavs, who have a lot of experience in this. We will have some Yugoslav equipment. I believe they helped us in the planning as well. [indistinct remark in background] Oh! The technology, yes, but the civil construction project is ours. [Castro chuckles] A lot of people must have cooperated to build this great project.

Of course, it is understandable this center is not yet complete and will only be completed when it has this rehabilitation area, one of the most modern in the world. I would say that on this basis...[interrupted by applause] this hospital will become one of the best in Cuba and perhaps Latin America. This modest, small, forgotten, and isolated hospital, which had only 174 beds, now has 410 or 416. [someone says: 410] It now has 410 beds. This does not include a hospitalization area turned into a rehabilitation center. When the center is completed that area will again be in use.

Will this one also be freed [for use], the one built (?by Ordaz)? [Someone says: No, this one will be devoted to recreation] Oh, I see, recreation. It's needed. Are you going to build a movie house or what? [laughter] Ah, a social center. That's good.

I was forgetting something. I don't know if they arranged it with the psychiatry hospital. We needed a small lot next door. [laughter] And I know that (Ordaz) doesn't like to give up any land because it seems he has to...[interrupted by indistinct remarks in background] Already? He says it's been arranged.

Another hospital is going up next door. It's a hospital for the Salvadorans; it's a hospital for the Salvadorans. [applause] We call it the Salvadoran hospital because there's a large number of Salvadorans receiving rehabilitation here—young people, revolutionaries, patriots, who, as a consequence of the genocidal war taking place over there, have suffered wounds and injuries requiring rehabilitation. Right now they are spread over several hospitals. We decided to establish a rehabilitation center here for the Salvadorans. Of course, it will be for the Salvadorans only for a time. Once the country is liberated, the people are liberated, and they can build hospitals there, they will not need this one. But now, who can help the Salvadorans? Other countries tender assistance but Cuba is the one providing massive rehabilitation. That is why we decided to build a hospital next to this one to form part of this center.

Many foreigners come to our hospitals. In the end this hospital will have 620 beds and a large rehabilitation center. The hospital for the Salvadorans will be similar to this one. It will be two stories high. It will have elevators and ramps also.

Thus, this is the genesis for this institution. We go into the construction phase. We are optimistic. We have already presented the banner. The Julio Diaz contingent—Diaz, a martyr, a comrade of the revolution who participated in the Moncada attack, came over in the "Granma" and died in the Sierra Maestra gives his name to this hospital. The contingent is going to bear that

glorious name. It will have 250 members. Imagine 250 members of the party and the UJC, vanguard workers building that center after the experience already acquired building this one. Will they build it fast or not? [Crowd answers: Yes] Will they be afraid of the task? After all, this is the second project. The third will be the hospital for the Salvadorans. [applause]

It has been proved that if we work well, with discipline, if we devote ourselves wholeheartedly, we can get everything we want. The only thing I have left to say is it is a great honor and satisfaction to have shared with you this joyful moment. We have doubled the number of beds it had in late 1985. Two great examples of dedication have come together here. The collective of this hospital, involved in human health, and the collective of the contingent, involved just as exemplarily in construction projects. Rarely have these two things come together. But I hope in the future the rule will be precisely that: Whenever two collectives get together we will be able to say they are collectives devoted to their work, they are exemplary collectives. " Fatherland or death, we shall win." [applause]

Castro Discusses Publicity for Expo Center
FL102351 Havana Television Service in Spanish 0100 GMT 6 Dec 87

[Text] During his tour of the Julio Diaz Hospital expansion site, Commander in Chief Fidel Castro conversed with our reporter, Oscar Suarez, about the construction of the national exhibition center by the minibrigades.

[Begin recording] [Suarez] Following your criticism of the press during the PCC provincial meeting in Havana to the effect that Expo-Cuba, the national exhibition center, had not been publicized enough, we took the opportunity, since we had planned a writeup, to come here, and...

[Castro, interrupting] I didn't exactly criticize the press. Rather, I meant that the press had not reported on the center. I wanted to point out the work was being done quietly, without publicity; but the press is not to blame in this case.

[Suarez] We ourselves were impressed, because the center's area is almost 10 times the size of that of the Latin American Stadium.

[Castro] Yes, it is a huge project. But we talk about the child care centers, the polyclinics, and the schools, and we forget the exhibition center. We forget, not you. I really did not want to point a finger at the press. The press is not to blame. We are, because we spoke about everything else, but forgot about the exhibition center. That is why it had received little publicity. Not on your part but ours. If we had given it more publicity, we surely...

[Suarez, interrupting] Well, it was a happy suggestion, because we ourselves...

[Castro, interrupting] I wanted to remind people we were doing other big things. We do small things such as a family doctor's office-home. By the way, the first of 1988 was inaugurated yesterday in San Miguel.

[Suarez] We were there.

[Castro] Were you there? Were there a lot of people there?

[Suarez] There were a lot of people. I'm from Channel Six and we reported on it.

[Castro] I reviewed it in the newspapers. Unfortunately you have fixed hours but the newspapers don't. I can read the newspaper at 0100, 0200, or 0300; but if I don't watch the television news at 2030, if I am attending a meeting or am somewhere else, I can't find out what's happening. I do enjoy the television news.

[Suarez] Good news comes from everywhere.

[Castro] I'm glad, I'm glad. I congratulate you for being the first in reporting about the center.

[Suarez] It's a monster of a center.

[Castro] It is. My pleasure. So long. [end recording]

Castro Tours Habana Vieja Child-Care Centers
FL102029 Havana Radio Rebelde Network in Spanish 1800 GMT 10 Dec 87

[Text] Commander in Chief Fidel Castro, PCC Central Committee first secretary, inaugurated this morning the first three child-care centers built by the minibrigades in the Habana Vieja Municipality.

Fidel arrived at exactly 1000 at the Marineritos Child-care Center where he spoke with construction workers, party leaders, and municipal government officials. During the tour, he asked about the construction work and adaptations, as well as the present structure of the installation. The high point of the hours of joy and enthusiasm which the residents of Habana Vieja were enjoying came when the commander in chief spoke at the Flor de la Sierra Child-care Center before CDR [Committee for the Defense of the Revolution] members, local residents, construction workers, and workers involved in that project.

[Begin Castro recording] Today I am convinced the problems of Habana Vieja have good, effective, beautiful solutions. I think someday the great merit and importance of the work here will be recognized. My basic premise is it is here that the most difficult problems need to be solved. Today I am convinced they can be solved and if we solve them here, we can solve them anywhere

in the city, anywhere in the country. The merit here is in you; in your enthusiasm, cooperation. It was truly moving to give certificates to three people here. They symbolize this enormous mass effort, this enormous productive, constructive, development effort. [end recording]

Accompanied by a large representation of party leaders, project workers, and personnel who will work at the child-care center, Fidel toured the beautiful Los Amiguitos del Comercio installation.

The new child-care centers inaugurated today in Habana Vieja have been built in the current architecture of that area, which is the cultural patrimony of humanity. There still remain three new child-care centers to complete the six planned for the current year. A total of 11 child-care centers will be inaugurated today in Havana.

This will fulfill by 30 percent the goal of completing 50 new installations of this kind for children and working mothers.

Fidel Castro Speaks at Education Congress

FL110052 Havana Radio Rebelde Network in Spanish 1800 GMT 5 Dec 87

[Rosa Maria Hurtado reporting from Havana's Palace of Conventions]

[Excerpts] Joy, in-depth discussions, and enthusiasm characterized the morning session of the 2d day of work of the Seventh Congress of the Federation of Mid-Level School Students [FEEM], which is being held at the Palace of Conventions with our Commander in Chief Fidel Castro in attendance. [passage omitted]

The morning session dealt solely with the commitment to education and the need for textbooks in midlevel schools. This prompted our commander in chief to speak.

[Begin recording] [Castro] How were books distributed in the past?

[Speaker] Books used to be distributed administratively; that is, the Education Ministry—I am talking about before the 1976 political-administrative division—had warehouses in provinces and regions and was in charge of the distribution. Books were not sold but were delivered to schools free of charge.

[Castro] They are sold among enterprises but not to students.

[Speaker] They are sold among enterprises but ultimately the municipality has to buy them.

[Castro] What does this large (?ABC) enterprise sell? Give me some examples to see what we have mixed books with in one of the many forms of madness we had here with the economy guidance and planning system.

[Speaker] I cannot tell you the items but it sells almost everything except to the CEATM [State Committee for Material and Technical Supply] enterprise, with the exception of what does not go through the CEATM.

[Castro] Give me an example of what it sells to see what we have mixed books with. [Background voice says: light bulbs] It sells light bulbs, doesn't it?

[Speaker] Yes, of course, it sells light bulbs, loudspeaker equipment, and cables.

[Castro] Cables.

[Speaker] All kinds of things.

[Castro] Books are stored there.

[Speaker] Books are there...

[Castro, interrupted] They are stored there collecting dust without going where they must go.

[Speaker] We are in the process of creating—it was already discussed through the commission of directorate system...

[Castro, interrupting] Yes, yes, what is in the process of being created?

[Speaker] An enterprise that would deal only with education supplies, which would distribute exclusively school supplies.

[Castro] I was told loudspeaker equipment, audio equipment, could be obtained through that famous enterprise. They were given to the enterprise for schools and they ended up in parties, in a bar, or any other place but schools.

[Speaker] Not only that. Blackboard paint, which is a special kind of paint, has been used to paint the tower of a sugarmill.

[Castro] [Words indistinct] That is a purely money-making attitude, cheap capitalism, all that. [end recording] [passage omitted]

Haiti

Government Announces New Election Calendar

FL101745 Port-au-Prince Radio Nationale in Creole 1400 GMT 10 Dec 87

[Text] As everybody knows, because of diverse incidents, the general elections scheduled for last 29 November had to be annulled. That also led the National Government Council [CNG] to adopt another calendar of political activities, so it could organize free and democratic elections here in Haiti.

National and international public opinion waited for the CNG to publish a new electoral calendar as a followup to a decree removing the members of the Provisional Electoral Council. They did not have to wait long.

The CNG published a political calendar yesterday . Everyone is awaiting a democratic process. Of course, the first stage was the CNG's initiative vis-a-vis the organizations that have the constitutional right to send a representative to form a new CEP.

The CNG's initiative to obtain new CEP representatives was dealt a severe blow when several of the organizations concerned refused to appoint new representatives. The Protestant Federation of Haiti, the Episcopal Conference of Haiti, the Association of Haitian Journalists, the National Council of Cooperatives, and the human rights organizations all refused to send new representatives to form a new CEP which would organize and supervise the elections to be held in Haiti.

Here is the new political calendar:

On Friday, 11 December 1987, tomorrow, they are going to appoint the new members of the new CEP.

On Saturday, 12 December, the new CEP is to be sworn in.

On Friday, 18 December 1987, they are going to publish the new electoral decree.

On Wednesday, 23 December 1987, a decree will be issued calling the citizenry to elections.

On Sunday, 17 January 1988, there will be municipal, legislative, and presidential elections.

On Monday, 1 February 1988, the members of the legislature will take office.

On Sunday, 7 February 1988, the president-elect will take the oath of office.

That was a note from the CNG from the National Palace. It is signed by Lieutenant-General Henri Namphy, Haitian Armed Forces [FADH], president; Major-General Williams Regala, FADH, member; and attorney Luc D. Hector, member.

PUCH's Bourjolly on Anticommunist Campaign

FL102245 Port-au-Prince Radio Nationale in French 1700 GMT 10 Dec 87

[Text] The events of 29 November, which led to the postponement of the elections and the National Government Council [CNG] removal of the Provisional Electoral Council [CEP], have given rise to a vast anticommunist campaign as can be seen from various telegrams addressed to the CNG from all over the country.

With the publication of a new electoral calendar, we wanted to see how the Unified Party of Haitian Communists [PUCH] felt about this anticommunist campaign and whether or not they would participate in the coming elections.

Max Bourjolly, PUCH's number two man, said the following to us:

[Begin Bourjolly recording, in Creole] Indeed, we too have noticed an anticommunist campaign is being waged throughout the country and in certain regions there is even repression against communists, particularly in the Department of the Southeast.

At the same time, we take this opportunity to say there are people connected with us who are not even members of the party. For instance, a certain (Gomier), whom I believe is in Jacmel, or (Cayes-Jacmel) was shot at because people said he was a PUCH member. He is not a PUCH member. We would like to make this clear since it has come up.

But in Thomonde, there is also repression against the party and against the comrades who had organized Comrade Theodore's electoral campaign. We denounce this. We feel these are methods that show they don't want to attack us in the capital because this would be too obvious, so they are sort of nibbling away at the edges, as president Vincent used to say.

We are people who keep our word. We are not like those who say they are going to provide security for elections and cut down the people during elections. We said we would not participate in any elections organized by the CNG. We said this back in June, back when there were incidents and the CATH was dissolved and so forth. We said we couldn't participate in elections with a government that considered its own people an enemy. We also said as long as that CNG was there, and as long as it was the CNG organizing elections, we would not participate in them.

It (?had put out) an electoral decree, which it had to take back and it was forced to recognize the Constitution's dispositions for the transition, which stated that there be an autonomous, independent CEP to hold elections.

Thus, the CEP was installed, and we supported it, despite the problems we might have had with it. Anyway, we supported it and we backed candidacies. We were willing to go to elections under that CEP. Now, in contempt of the Constitution, which it continually violated, the provisional CNG has dismantled the CEP. As far as we are concerned, the CEP still exists and as far as they are concerned, there is no longer any CEP.

So now they are going to form their own CEP to hold their own elections. They can just go vote in their elections all by themselves under their own CEP. (?That's all we can say.)

We ask the people to not participate in any elections this new CEP might organize, because the people are not even [words indistinct]. The people know what they want. They want freedom, democracy, and change. This is quite clear.

We ourselves will continue to struggle toward that desire which will continue to deepen, put down roots, and take hold among the people. The elections, Comrade Theodore's electoral campaign, showed that this idea had time to implant itself well and we are going to consolidate the work we have done. We are not a party (?that is interested only in winning elections), so we are going to continue to (?work) in order to deepen that feeling in the people.

The Haitian people want a change. They are struggling to effect a change and we think they will be able to counter, (?to parry), hard blows and they will continue along the path in the direction they have chosen.

BED/West Message to Electorate, BEC Members

FL102132 Port-au-Prince Radio Nationale in French 1700 GMT 10 Dec 87

[Text] In a message addressed to the electorate and to the members of the Communal Electoral Offices [BEC] of the Department of the West, the Departmental Electoral Office [BED] for the Department of the West strongly and formally denies the slanderous and ignoble accusations which it feels have been made insistently over our "second-rate government media," as the note puts it, by representatives of sectors well known to the public; these are supported in their vile and dishonest maneuver by another, equally well known, sector whose role should have been to remain neutral and protect lives and property and ensure peace in the streets.

The BED/West also says it deplores the complicity—or else opportunism—of the silence of other sectors on the political scene, which to the last minute hypocritically pretended to support the BED/West in its almost desperate effort to organize the difficult voting procedures in the field.

Further in its note, the BED/West pays tribute to the courage of the presidents and members of the BEC's—in Anse a Galets, Arcahaie, Cabaret, Carrefour, Cornillon, Croix des Bouquets, Delmas, Ganthier, Grand Goave, Gressier, Fond Verrettes, Kenscoff, Leogane, Petionville, Petit Goave, Pointe a Raquette, [names indistinct] and Thomazeau.

According to the BED/West, these citizens did absolutely everything they could to permit the voters of their respective communes to vote, despite the threats, intimidation, and other difficulties encountered. Furthermore, it invites those among them able to do so to formally deny the accusations against them, for the edification of the public, which is so often—and intentionally—misinformed.

The BED/West also promised the presidents and members of the BEC to undertake the necessary initiatives to pay them their salaries for the month of November.

The BED/West also thanks all those who helped it, among others, the Movelh [Voluntary Movement for Free and Honest Elections], nuns, young people, and secondary school students.

In conclusion, the BED/West declares it painfully shares the mourning of the families of the many victims of 29 November—and of the days both preceding and following 29 November—whose blood, joining that of tens of thousands of others, will deepen the river of blood that will one day engulf the accursed assassins and their protectors, shameless violators of our Constitution, which was recently ratified by referendum.

Finally, the BED/West could not fail to address its sympathies to the nine members of the Provisional Electoral Council who were so brutally and dishonestly removed from duties guaranteed them by the very Constitution of 1987, with which certain people are trying to accuse them of wrongdoing. It is true their lives are in danger, but they have already entered the history of their country through the front door, whereas their detractors, aggressors, and persecutors, will not be able to avoid being blamed by future generations.

The note is signed by (Jean-Robert Sabalat), director of the BED/West.

Jamaica

Government Cancels Police, Military Leave

FL101342 Bonaire Trans World Radio in English 1130 GMT 10 Dec 87

[Text] The Jamaican Government cancelled all leave for its police force and military so that they can fight a rising crime wave on the island. Prime Minister Edward Seaga said on Tuesday that he will make a statement on the situation tomorrow. He expressed sadness at the slaying of Constable Pamela Johnston, the first policewomen to be killed and the eighth member of the police force cut down by gunmen this year.

This killing took place on Monday night when four men concealing guns boarded a bus in a rural area hijacking it into an abandoned cane field.

Martinique

French National Front Visit Thwarted

FL071830 Bridgetown CANA in English 1703 GMT 7 Dec 87

[Text] Fort-de-France, Martinique, Dec 7, CANA—The first serious efforts by France's right-wing National Front Party to drum up support in the largely black

French Caribbean departments of Martinique and Guadeloupe, failed when anti-Front demonstrators in both islands prevented a delegation from the party from even setting foot from the aircraft bearing members from Paris.

In Martinique, 3,000 protestors swarmed through police barricades, invaded the runway at the islands Lamentin International Airport, and prevented the aircraft bearing the delegation from landing. Protests forced the closure of the airport late yesterday, but it was reopened at day break today.

The aircraft diverted to Guadeloupe where it landed, but protestors stormed onto the tarmac preventing the National Front delegation from getting off the aircraft.

Members, led by the Front's presidential candidate Jean-Marie Le Pen, were forced to return to Paris last night.

Demonstrators in both Martinique and Guadeloupe chanted anti-National Front slogans, accusing the party of being racist, and fascist, and supportive of continued French colonial domination of the islands. The protests were organised by political and labour groups whose leaders made it clear that Le Pen and his delegation were not welcome on the islands.

The planned visit by the delegation from Paris was designed to whip up support on Martinique and Guadeloupe for the National Front in next year's French presidential election.

The protests were organised for several weeks now by political and labour groups, including the Martinique Independence Movement (MIM), and the Guadeloupe Front of United Trade Unions. Alfred Narichal of the MIM told reporters the cancellation of the Le Pen visit was a shining victory against racism and a blow against Le Pen who he accused of advocating policies unsympathetic to third world immigrants to France.

A spokesman for the Front of United Trade Unions in Guadeloupe said Le Pen would have to think carefully again before trying to visit that island.

French Authorities To Press Charges in Protests

FL101351 Bonaire Trans World Radio in English 1130 GMT 10 Dec 87

[Text] French authorities are planning to press charges against those who organized the demonstrations Sunday in Martinique and Guadeloupe against a French right-wing politician. Thousands of protestors took control of a runway forcing his plane to divert to Guadeloupe where he was unable to disembark because of the demonstrations.

Spokesman on Occupation of Japanese Embassy

FL091416 Mexico City NOTIMEX in Spanish 0334 GMT 9 Dec 87

[Text] Mexico City, 8 Dec (NOTIMEX)—We hope the release of the Japanese Embassy in Mexico will be done in a peaceful and orderly manner after government authorities reach an agreement with the invaders, a Japanese Embassy spokesman said today.

During a telephone interview the spokesman said the members of the 2 October Camp, who occupied part of the exterior of the Japanese Embassy in Mexico City yesterday morning, asked to speak to Japanese Ambassador Takeshi Naito. The request was rejected since this a domestic problem. The matter was then turned over to the authorities and the Mexican Government Secretariat, which have begun handling the affair.

The spokesman said activities have been affected at the Japanese Embassy because only embassy personnel are allowed to enter and leave the building. The public is not able to enter the building for business purposes.

He said diplomatic personnel have had no contact with the invaders who have not tried to enter the building. They are only occupying the exterior of the embassy, the spokesman said.

Even though the embassy is not involved in the problems of the 2 October Camp, the spokesman said , it cannot allow police forces into the area because of its diplomatic status.

Demonstrators Vacate Embassy

PA091529 Madrid EFE in Spanish 0515 GMT 9 Dec 87

[Excerpt] Mexico City, 9 Dec (EFE)—A Japanese Embassy employee has told EFE that the members of the "2 October Camp" who peacefully occupied the embassy's front yard for 36 hours, have "voluntarily" left the embassy.

The source also said the diplomatic office, on Paseo de la Reforma, one of the capital's most central and busy streets, was vacated "without problem."

The invaders "seized" the Japanese Embassy at 1030 (1630 GMT) on Monday and repeatedly said they would not leave until their leader, Francisco de la Cruz, was released from jail. [passage omitted]

De La Madrid Meets Japanese Trade Delegation

PA101320 Mexico City EL DIA in Spanish 3 Dec 87 p 3

[Article by Heliodoro Cardenas Garza]

[Text] Speaking before Japanese investors who explained it is very important for Japan to learn how the Latin American countries will handle their foreign debt, President Miguel de la Madrid said Mexico's economic policy grants priority to increasing and diversifying its exports.

In the Carranza Hall at Los Pinos, the president received a Japanese trade and investors mission interested in increasing purchases of nonpetroleum products as well as in investing in various fields of the national economy.

Accompanied by Hector Hernandez, secretary of commerce and industrial development, Miguel de la Madrid emphasized that Mexico will continue to be an important oil supplier, but we are also in a capacity to compete in prices and quality and increase our nonpetroleum exports to Japan.

He added that there are also possibilities for Japan to invest in Mexico in areas such as: the steel and iron industry, electronics, capital goods, petrochemistry, general chemistry, in addition to tourism, where the number of Japanese visitors can be increased.

Miguel de la Madrid said exports increase employment, a basic Mexican societal need, and they also contribute to broadening the domestic market as other types of components are incorporated to the manufactured exports.

We know that Japan is a very modern country in technology, and Mexico wants to benefit from this technological progress, as this is a factor we must consider when we promote and authorize new investments.

The president also said the efforts being made by the Japanese and Mexican Governments for increasing and deepening our economic relations are not enough. "It is necessary," he emphasized, "that the businessmen from both countries get to know each other and carefully study the various opportunities for more trade, investment, and for a generally broader economic exchange."

Hector Hernandez, secretary of commerce and industrial development, then pointed out Japan is the country's second largest business partner, but most of our sales are in petroleum. The total represents barely 1.1 percent of Japan's imports. We have a surplus trade balance, but if one excludes petroleum, we see a deficit. Estimates indicate there will be approximately $250 million nonpetroleum exports to Japan in 1987.

He reported the Japanese mission has held and will continue to hold meetings with public employees and Mexican private businessmen, because it wishes to increase the purchases of those products already being exported such as salt, silver, coffee, shrimp, steel, copper, and cattle. The mission would like to take advantage of new fields such as automobile spare parts, fruits and vegetables, processed foods, textiles, and chemical and mining products.

To conclude, he said Japan's investment in Mexico ranks third in the overall investments, amounting to a little over $1.3 billion.

On behalf of the Japanese mission, Koichiro Ejiri, president of Mitsui and Co., Ltd., said to President de la Madrid: "In all sincerity, we were somewhat concerned when we arrived. We did not know the Mexican situation. We have learned, however, Mexico is on the right path, thanks to Your Excellency's great leadership. With this, we know we can work."

He stressed how important it is for Japan to learn how the Latin American countries are going to handle their foreign debt. "I believe that thanks to your great efforts, they are on the right path," he added.

The Japanese businessman voiced the interest of the other investors to increase purchases of nonpetroleum Mexican products, as well as the investments in various fields of the national economy.

Deputies Approve 'Emergency' Wage Hike

PA100055 Mexico City THE NEWS in English 3 Dec 87 pp 1, 6

[Text] The Chamber of Deputies approved a resolution supporting organized labor's demand for a 46 percent emergency pay raise Wednesday, as the Labor Congress decided to set its strike deadline back three days, to Dec 18.

The eight political parties represented in the chamber, including the ruling Institutional Revolutionary Party (PRI), joined forces in full session to approve the "Point of Agreement" motion.

The resolution of solidarity with the Labor Congress demand was introduced by a coalition of the Revolutionary Workers Party (PRT), the Mexican Democratic Party (PDM) and the Mexican Socialist Party (PMS).

Introducing the measure, PRT deputy Pedro Penaloza said, considering the importance of defending workers' buying power, it was "indispensable" for the chamber to give its full support to the struggle undertaken by labor.

After the measure was introduced, all parties sent representatives to the podium to voice support for the labor cause.

Deputy Andres Zavala Pena came forward for PRI, giving his support to the motion and saying that it will be the workers' movement, and especially the Mexican Workers Confederation (CTM), that gets workers out of their current problems. The CTM is Mexico's largest union and has been one of the main pillars of PRI's political strength.

Its leader, Fidel Velasquez, also heads the Labor Congress which came up with the demand for a 46 percent pay hike after Banco de Mexico withdrew support from the peso last month.

The central bank's decision to discontinue its support of the peso caused the currency to drop dramatically, losing about a third of its value against the dollar in one day.

After government labor officials said they would not go along with the emergency raise during talks with the Labor Congress on Tuesday night, labor leaders set a strike deadline for Dec. 15.

In a meeting held Wednesday night, the Labor Congress decided to postpone their general strike deadline for three days, until Dec. 18, so that all unions would have time to prepare.

Earlier Wednesday, CTM leader Velasquez said labor would stick to its demands.

"Let's hope the authorities do not reject us and the owners do not deny our just demands," said Velazquez, "because we want Mexico to always have social peace and national unity." A local leader for the oil workers' union met with Velazquez to extend his support to the Labor Congress demand.

Carlos Romero Deschamps, leader of local 35 of the Revolutionary Petroleum Workers of the Mexican Republic, proposed that workers should stop paying taxes in order to pressure the government into meeting their demands.

"It is necessary," said Romero Deschamps, "to demand of the governing class that they spend less; that they reduce their bureaucratic expenditures; that they make lower salaries; and that they make less of an ostentatious spectacle in front of a people who can't even meet their minimum needs."

Velazquez said the "brutal" peso devaluation, combined with tax hikes, has put workers in conditions of poverty that they "cannot tolerate one more day."

"It is necessary," he said, "that the movement represented by the CTM and the Labor Congress raise its voice to give value to its rights and demand respect for its interests."

Workers, Students March

PA101534 Paris AFP in Spanish 0357 GMT 10 Dec 87

[Text] Mexico City, 9 Dec (AFP)—Approximately 7,000 workers and students marched today along the main streets of Mexico's capital demanding an emergency wage increase and the rejection of the 1988 national budget, according to the slogans chanted by the demonstrators.

The demonstration was convoked by the Trade Union Agreement Board—comprised of trade unions opposed to the government—in support for a general strike scheduled for 18 December by the Labor Congress [CT], the progovernment and largest trade union confederation. The CT is demanding a 46-percent wage increase.

The demonstration, in which students from various universities participated, ended in front of the Chamber of Deputies, where the demonstrators demanded the legislators reject the 1988 budget.

According to several Trade Union Agreement Board leaders, the government's budget must be vetoed because 56 percent of it is earmarked for foreign debt payment (more than $100 billion), in detriment to the poorest and most neglected social sectors.

Meanwhile, the CT, which did not participate in the demonstration, announced the government has agreed to grant a wage increase of an unspecified amount before 15 December—retroactive to 18 November. This offer could revoke the call for a general strike.

PSD Supports Cuauhtemoc Cardenas Candidacy

PA110234 Mexico City THE NEWS in English 6 Dec 87 p 6

[Report by Daniel Alder]

[Text] Cuauhtemoc Cardenas picked up another endorsement Saturday as the Social Democratic Party (PSD) decided to support the ex-Institutional Revolutionary Party (PRI) dissident during a specially called national convention.

In order to support Cardenas the PSD had to overturn their previous nomination of Luis Sanchez Aguilar as presidential candidate. Sanchez Aguilar went along with the decision, saying "the interests of the country are superior to any personal interests."

"The general interest," he said, "proposes a common front of various political parties and organizations."

The leader of that front needs to be the person who can draw the most support, said Sanchez Aguilar. "In our opinion, that person is Cuauhtemoc Cardenas." Cardenas led the PRI faction called the Democratic Current until he was kicked out of the ruling party after accepting the presidential nomination of the Authentic Party of the Mexican Revolution (PARM). Since that time he has picked up endorsements from a number of left and left-center political organizations.

The ex-governor of Michoacan and son of one of Mexico's most popular presidents had attempted to lead a united center-left front against PRI candidate Carlos Salinas de Gortari, but the idea was rejected by two of the left's major forces, the Mexican Socialist Party (PMS) and the Revolutionary Workers' Party (PRT).

The PSD convention—40 provincial delegates from Mexico City—reached the decision to support Cardenas after about four hours of debate.

The party's vice president, Octavio Moreno Toscano, said afterward that the Cardenas candidacy won by a wide margin.

There was a small faction, he said, which did not want to nominate Cardenas because he had turned down a PSD nomination in August, when the Democratic Current was still fighting to democratize the PRI from the inside.

Briefs

Public Debt Repayments

During the current administration, 65.5356 trillion pesos have been paid in interest on public loans—both foreign and domestic—according to reports issued by the Secretariat of Finance and Public Credit. This represents nearly one-fifth of the GNP earned during the 1983-1987 period. The report breaks down the debt repayments as 51.2 percent in interest on domestic loans, amounting to 33.5497 trillion pesos and 31.9859 trillion pesos on foreign loans. The 1988 GNP is estimated at 405.7 trillion pesos, of which approximately 20 percent will go to repay interests on the total public debt. [Summary] *[Mexico City UNOMASUNO in Spanish 2 Dec 87 p 14 PA]*

Costa Rica

Arias Comments on U.S. Policy, Nicaragua

DW110755 Hamburg DIE ZEIT in German 11 Dec 87 p 13-15

[Interview with President Oscar Arias Sanchez by correspondent Joachim Riedl, in San Jose; date not given]

[Excerpts] [Passage omitted] ZEIT: Peace and prosperity is what many countries try to achieve and why they accept increasing dependence upon the United States. You, however, maintained a certain distance from the very outset. It was at your instructions that a makeshift airport in the north of your country, from where the contras were flying supplies to Nicaragua, was closed. The airport was a legacy from your predecessor. President Luis Alberto Monge's strategy was apparently different from yours. He traded the independence of his country for U.S. economic aid, which in his last year in office amounted to $300 million. The course that you followed, then, was thus a very confrontational one.

Arias: Not really. After I was elected I found that we were giving logistical support to the contras and that they were using the runway in Guanacaste. I notified Lewis Tambs, the U.S. ambassdor in San Jose, that all this would have to stop immediately, that an end would have to be put to any support for the contras, and that the airport would be closed on the spot.

ZEIT: What was the U.S. ambassador's reaction?

Arias: Well, as could be seen during the Irangate hearings in Washington, the Americans finally had to respect my wishes.

ZEIT: In order to exert economic pressure on you afterwards?

Arias: It is wrong to say that attempts were made to influence my decision by economic threats. It is wrong, simply because a nation cannot punish a friendly country for maintaining a different attitude. Differences of opinion are part of any friendship.

ZEIT: Our information is that the then head of the CIA, William Casey, came to San Jose on a secret mission to try to change your mind.

Arias: I refused to meet him. I made it clear to the U.S. Embassy that only in case of a semiofficial visit, with Casey also talking to journalists and holding a news conference, would I be prepared for an encounter. He insisted on the secret character of his mission, and I objected. A meeting did not take place.

ZEIT: And the Americans, did they accept being treated like that?

Arias: Yes, how could Costa Rica be punished for promoting peace in the region?

ZEIT: For instance, by cutting or canceling economic aid.

Arias: But why, why? Who would dare punish a country for fostering peace?

ZEIT: Maybe because the peace you have in mind is not in the interest of the United States.

Arias: What is that going to say? Peace is in the interest of each and every country. In our region massacres between our people are a matter of everyday life, and we condemn our youth to live in increasing poverty. And of all people, those who try to put an end to all that are to be punished?

ZEIT: An easier way to put it: The Reagan administration is firmly determined to remove the Sandinists from Nicaragua.

Arias: Any possible success of the peace initiative will depend upon the establishment of pluralism in Central America. Without democracy there can be no lasting peace—and what I have in mind is Western democracy, the way you in the Federal Republic and we in Costa Rica know it. The Sandinists will thus have to hold free elections. I am convinced the Sandinists will not win those elections. After having exploited and suppressed the people to such a degree, they cannot possibly receive a majority of votes. That is impossible. Should they win against all odds, however, we would have to respect the outcome as the will of the majority—and that also applies to Washington.

ZEIT: You have manifested on various occasions that the Sandinists have "betrayed the revolution," to put it in the words of President Reagan. I guess you stick to that statement.

Arias: Look, no one has given the Sandinists more support than we in Costa Rica. Back then they were supplied with weapons from numerous countries—they did not receive any weapons from us, because, as you well know, we do not possess an army or weapons. But the Sandinists were free to use our territory. We morally supported them to the best of our abilities, and we gave them whatever material we had. [passage omitted]

ZEIT: Could you imagine that you would approve, for whatever reason, a U.S. invasion of Nicaragua?

Arias: No, never.

ZEIT: Absolutely not?

Arias: No, absolutely not!

ZEIT: The United States traditionally pursued a carrot and stick policy in Central America. The United States also considered it its right to interfere in Latin American affairs. U.S. Secretary of State James Blaine stated at the end of the last century that the United States is the "natural protective power for the integrity of Central American territory."

Arias: The United States considers it a threat to its security if another communist country exists in Central America. It believes that the Sandinists would export their revolution to the neighboring states as soon as they consolidated sufficiently in Nicaragua. Therefore, the United States demands a change of government in Managua. The difference between Washington and me is that I advocate change, if it were to take place, through ballots, never bullets.

ZEIT: Mexican author and diplomat Carlos Fuentes said some time ago in a Harvard University speech that the United States, the Yankees, do not have the slightest right to interfere; Latin American countries should be given the oportunity to live their own history, even if it means suffering from their history.

Arias: Maybe it should be that way. But it is not.

ZEIT: A utopia?

Arias: The superpowers frequently interfere in all parts of the world. That corresponds to the character of their competition for more power and influence. They are looking for friends everywhere. The United States knows that the Sandinists are on the side of the Soviet Union—that is the whole problem. [passage omitted]

El Salvador

Government Human Rights Official Murdered

PA110023 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 10 Dec 87

[Text] Rene Joaquin Cardenas Vargas, a member of the governmental Human Rights Commission headquartered in San Miguel, was murdered last night in San Miguel. Cardenas Vargas, 34, was murdered by two armed individuals riding in a vehicle with no visible license plates.

According to the authorities, Cardenas Vargas was shot by the two individuals, who were waiting for him outside his home. The men shot Cardenas Vargas as he got out of his automobile in front of his home on 8th North Avenue, between West 4th and 6th Streets, his wife Cecilia de Cardenas reported. She added that her husband died immediately since he was shot at point-blank range and the bullets penetrated his vital organs.

He is survived by his wife and two children, Joaquin Eduardo and Ernesto Cardenas, 12 and 8, respectively. According to his relatives, Cardenas Vargas did not have any enemies. Therefore, his relatives are surprised by his murder. He once worked as a justice of the peace in San Miguel.

His body was identified by the local justice of the peace. The national police reported it is conducting a thorough investigation, and it set up checkpoints as of 2100 last night in various parts of San Miguel to check any suspicious vehicles.

Guatemala

Cabrera Discloses Rights' Plan To Kill Cerezo

PA101911 Panama City ACAN in Spanish 1833 GMT 10 Dec 87

[Text] Guatemala City, 10 Dec (ACAN-EFE)—Guatemalan Foreign Minister Alfonso Cabrera Hidalgo today disclosed an international plot, promoted by that country's extreme right, to assassinate President Vinicio Cerezo and top government officials.

According to Cabrera, the assassination would take place in the United States, where President Cerezo will be traveling tomorrow on a private vacation until 20 December.

Cabrera said the extreme right collected 200 million quetzales ($80 million) to carry out this "Machiavellian plan." The funds "would reportedly be used to promote chaos and destabilize the government," which would provide an opportunity to kill the president.

In reporting the plan, Cabrera said the collaboration with "security services of friendly countries" has been requested. He did not, however, identify the authors of the plot or the governments that will provide assistance.

Cerezo Dismisses Possibility of Coup D'Etat

PA102346 Panama City ACAN in Spanish 2150 GMT 10 Dec 87

[Text] Guatemala City, 10 Dec (ACAN-EFE)—The Guatemalan extreme right was accused today by President Vinicio Cerezo of "seeking to encourage plans to destabilize the democratic process in the country," including an announced plot to assassinate him.

Cerezo dismissed any possibility of a coup d'etat, "because the Army is within the law in its support of the president and the Constitution."

He quickly added, however, that "what we have are people who have sought to find support among some officers for the protest over the tax reforms and for their desire to return to the past."

He said that this has been true "especially of very conservative private sector institutions, such as the CACIF (Coordinating Committee of Farming, Commercial, Industrial, and Financial Associations), groups that have exerted pressure in the past."

Cerezo admitted that, because of this, "when there are people who might consider the possibility of eliminating the president, one's life might be in danger, because those people want to eliminate the democratic process in the traditional manner" [through a coup d'etat].

"However, we are going to show them that the possibility of that happening is over, that the Guatemalan state is an indivisible entity, that we carry out things to benefit the people, and that we are calm and secure, with a strong and powerful Army that operates within the law," he stressed.

For his part, Defense Minister General Hector Gramajo endorsed Cerezo's aforementioned statements, asserting that "coups d'etat are a thing of the past."

"The military is here to protect the president against any attempt to eliminate him or to attack democracy. Undoubtedly, such an attempt would have to be made outside national territory, because within Guatemalan territory the Army's mission is to guarantee the stability granted by the presence of an elected president."

Guatemalan Foreign Minister Alfonso Cabrera disclosed today that the plot to assassinate President Cerezo would occur during his vacation to the United States scheduled to begin tomorrow and to last until the 20th.

Gen Gramajo said that "it is deplorable that the idea to assassinate the president exists, because it would only have negative repercussions, not only within the country, but internationally as well."

Both Cerezo and Gramajo said that "in the Army, some disciplinary measures have been taken against officers, but clearly and simply because they wanted to make or had made decisions that were inappropriate for them to make, and not because they were involved in any plot."

In the past few days several high-ranking military officers have been removed from their posts and even transferred to diplomatic posts.

Among these are Generals Oscar Humberto Mejia Victores, former chief of state and director of the Center of Military Studies (CEM), and Pablo Nuila Hub, who were sent as ambassador and military attache to Peru and Ecuador, respectively.

Cerezo To Ask Presidents To Invite Castro

PA102237 Panama City ACAN in Spanish 2135 GMT 10 Dec 87

[Text] Guatemala City, 10 Dec (ACAN-EFE)—Guatemalan President Vinicio Cerezo will ask the Central American presidents at the 15 January regional summit in Costa Rica to invite Cuban President Fidel Castro to visit the area.

Guatemalan Foreign Minister Alfonso Cabrera today disclosed that "the Central American presidents will decide this coming 15 January in Costa Rica on the need to invite Cuban President Fidel Castro to meet with them."

The official noted that "the meeting between Fidel Castro and the Central American presidents to discuss the situation on the isthmus is necessary."

He added that "the invitation to Castro will be proposed by President Cerezo" and that "it is based on the need for the Cuban president to be present in the discussion of Central American problems and to help resolve them."

Cabrera affirmed that "the United States is willing to send its representatives to the meeting of Central American presidents to engage in a broadly based discussion of the reality of the area with no beating around the bush."

"We are aware that it is up to the international community to provide the help needed to secure peace," he added.

The Guatemalan foreign minister did not specify the channels to be used for the eventual invitation for Castro to meet with the Central American presidents.

Nicaragua

Borge: U.S. Pilot 'Probably' To Be Tried

PA110355 Managua Domestic Service in Spanish 0313 GMT 11 Dec 87

[Report by Bernardino Rodriguez]

[Excerpts] Interior Minister Tomas Borge Martinez dedicated a new women's penitentiary, the La Esperanza Rehabilitation Center, this afternoon. [passage omitted]

As for the American mercenary who was captured a few days ago aboard his private plane that was used for counterrevolutionary activities, Borge Martinez said that James Jordan Demby is being investigated and he will probably be brought to trial by the Anti-Somozist People's Tribunals [TPA].

Answering another question by reporters, Tomas Borge Martinez said that if the Central America peace plan is thoroughly fulfilled, the TPA's will disappear.

Contra Leaders Send Protest Letter to CIA

PA110331 Managua EL NUEVO DIARIO in Spanish 10 Dec 87 pp 1, 8

[Text] Counterrevolutionary military leaders have sent a letter to the CIA in which they express their disagreement with the appointment of a commission comprised of Fernando Aguero Rocha, among others, to negotiate a cease-fire agreement to be mediated by Cardinal Miguel Obando y Bravo.

This new and sensational revelation was issued by Alberto Suhr to EL NUEVO DIARIO; he recently defected from the mercenary forces, but he still has access to important information about the self-styled FDN.

Negotiation With Death [subhead]

Suhr's new statements reveal that regional commando leaders have said that they are fed up with the war and that Esquipulas II presents the possibility of ending the war—provided that interference ends by those who do not fire a single shot but who certainly make a business with the deaths on either side.

Likewise, in the letter addresed to the CIA last week—when it was reported that a contra commission would be comprised of several contra leaders, including Aguero and Jaime Morales Carazo—the counterrevolutionary leaders said they "do not feel represented by the commission, whose slogan is not to end the war but to extend it, because its members are living safely in Miami."

The Somozist forces' leaders said that most of the troops have no information about the Esquipulas II agreements. "However, no one has been able to stop the infiltration of information that brings them great hope about ending all this."

Against Bermudez [subhead]

The contras have also revealed their disagreement with several members of the counterrevolutionary leadership and Somozist Colonel Enrique Bermudez, and they predict "new purges and bloody events, such as those that occurred in former rebellions against the mercenary leadership."

Alberto Suhr was imprisoned at the beginning of the revolution for his conspiratorial activities. He later joined the counterrevolutionary forces when he was placed under house arrest and was later smuggled out of the country by top-level contra leaders.

Following his recruitment, Suhr excelled in intelligence work and thus had access to a lot of information about the mercenaries. He was even congratulated by Reagan during a special meeting at the White House, an event reported by THE WASHINGTON POST.

Suhr said the contra leaders' message to the CIA indicates that a formula must be sought to achieve peace, and war traffickers should not be appointed negotiators.

The contra leaders reasserted that they do not want to be "simple pawns in a chess game where the unlucky are among the ranks sent to die in the mountains."

TOMORROW: A message to those who have been pardoned, so that they are not used "as I was used." Statements to EL NUEVO DIARIO have caused an impact in Miami. Suhr was asked to refute his statements through blackmail and bribes, but he remains firm.

Contras Threaten Public Transportation

PA110317 Guatemala City Cadena de Emisoras Unidas in Spanish 2320 GMT 10 Dec 87

[Report by Rafael Mojica Obrego from the International Information Center in Miami]

[Excerpt] [Passage omitted] This is a direct report from the Strategic Command of the Nicaraguan Resistance [RN] General Headquarters: The Strategic Command has issued a communique urging the owners of public transportation to abstain from carrying uniformed EPS personnel. If this is not observed, the transportation carrier will be considered a military target and will become a target of the Nicaraguan rebels.

This is the first time that Radio Liberacion, the radio station of the Nicaraguan rebels, has announed a communique of this nature issued by the RN Strategic Command. This will bring about more violence directly to the Nicaraguan civil war. [passage omitted]

CSSR Deputy Minister Visits; Comments on Aid

PA101753 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 9 Dec 87

[Text] Czechoslovakia will continue giving support to the Nicaraguan Government in all fields. This was stated by CSSR Deputy Foreign Minister Dusan Ulcak during a meeting with Commander of the Revolution Henry Ruiz, Nicaraguan foreign cooperation minister.

In the meeting they discussed the cooperation that Czechoslovakia has given to Nicaragua and the possibility of signing new cooperation agreements. This will be discussed in the fifth session of the joint commission of the two countries, which will meet in Czechoslovakia in 1988. The Czechoslovak deputy foreign minister confirmed that his country's foreign minister will visit Nicaragua soon to identify the economic cooperation.

[Begin speaker recording] Nicaragua counts on Czechoslovakia's full solidarity and support in its struggle against all foreign aggression and for the peaceful resolution of the [words indistinct] problems. [end recording]

During the 8 years of the Nicaraguan revolution Czechoslovakia has cooperated with Nicaragua in all areas of the economy and has supplied it with petroleum.

[Begin speaker recording] Czechoslovakia has cooperated with Nicaragua in various fields, for example in the industrial area [words indistinct] the textile, leather, and shoe sectors, the important area of the production of beer [words indistinct] farm machinery, and transportation. [end recording]

The deputy foreign minister will leave for his country tomorrow after visiting Nicaragua for 5 days.

Argentina

Commentator Discusses Military 'Crisis'

Part I

PY081432 Buenos Aires LA PRENSA in Spanish 6 Dec 87 p 1

[Column by Daniel Lupa: "Within the Navy and the Army-(I)"]

[Text] We cannot ignore the fact that last week—which is over but did not put an end to the crisis—was one of the most worrisome so far, and that we still cannot foresee its immediate consequences with regard to military behavior and the policies which the government has implemented regarding the matter.

It is evident that the relations between the government and the Armed Forces, particularly the Navy, have worsened as a result of the courts' refusal to moderate the charges against four admirals who took part in the antisubversive fight during the de facto regime, thus putting an end to hopes that the admirals' prison sentences could be served in their homes. The rumors concerning President Alfonsin's hesitation in ratifying the courts' decision regarding Lieutenant Astiz' promotion and his remaining on active service in the Navy did not help improve Armed Forces-government relations either.

Since 2 December, it has been generally felt that Alfonsin has already decided not to support Astiz' promotion or his remaining in the Navy. The fact that Alfonsin postponed any discussion on the matter until he returns from his trip to Italy leads people to believe that he is merely trying "to buy time." It has also created an atmosphere that is not propitious for the harmonious development of activities in the sector.

It has been said that, before President Alfonsin traveled to Mexico 2 weeks ago, several officials who support him discussed the possibility of "exchanging" the admirals' home detention for Astiz' retirement and vice versa. This "exchange," however, was probably discussed during tense conversations, which were only made known to the president, and which were obviously rejected by the Navy chief of staff. (Reportedly, Admiral Arosa said: "Mr President, this is not a matter of exchanging sentences; this is a matter of fundamental justice. All I am doing is reporting on the real situation in the Navy. I am not 'negotiating' anything. I cannot influence the results; all I can do is to watch them happen.") According to other sources, this conversation was held at Minister Jaunarena's office on 23 November, during a meeting convoked by the minister to discuss, with the three Armed Forces chiefs of staff, matters that were then overlooked in view of the seriousness of the crisis. Apparently, the discussion was so heated that Army Chief of Staff General Caridi abruptly left the meeting.

Some military chiefs who attended the Conference of the Armies of the Americas held in Mar del Plata at the end of November asked, with surprise, how a military officer who had been acquitted by the courts could be prevented from continuing his military career. They also asked, with even more surprise, how a person—civilian or military—could be forced to prove his innocence, as is the case with the military trials being held for officers who fought subversion, instead of having the courts prove his guilt.

As far as the Navy is concerned, however, the real issue—regarding the two major topics raised as the year ends—seems to go even beyond that. Lieutenant Astiz has become a sort of an example for younger officers, because of the merit and quality of his performance in the antisubversive war and because of his compliance with orders he received in other types of wars, like the Malvinas Islands war. There were harsh reactions when government circles suggested that Astiz be punished for his behavior in the Georgia Islands instead of being punished for his participation in the antisubversive struggle. There were also harsh reactions concerning a possible court judgment against Astiz, the suspension of his promotion, or the interruption of his career because of the antisubversive war.

The government has brought up the issue about possible reactions abroad, but so far only some private organizations identified as defenders of "human rights" have reacted. Early next year Alfonsin is going to Sweden and there are reports that the reaction may be negative there if Lieutenant Astiz is promoted and not retired. Therefore, the issue of the autonomy of the Argentine Government with regard to making decisions comes to light. Will the government policies be subject to foreign opinion?

Regarding the admirals in custody, the court decision to request from them the necessary evidence to lift their rigorous preventive custody brings back the principle that a defendant does not need to prove his innocence. However, this principle is no longer fully applicable, because in this case, the idea is to change an already adopted resolution.

But what is actually happening is that the basic rationale behind the trials continues to be challenged. These trials obviously do not have a strictly judicial background, but a political one, something that is "contrary to the soul" ["contrario sensu"] of the Constitution.

And it is precisely this point that is affecting the feelings of the military and this has caused a critical situation that will be difficult to overcome if the government does not substantially modify and/or rectify its policy.

The critical aspect of the matter will become more acute as Alfonsin continues to delay resolving the problem. The passing of time will not moderate potential reactions; rather, it will intensify them.

The possibility that the Navy leadership will resign en masse must also be taken into account, a reaction that has never willingly taken place in the history of the Navy. In the future the problem will be one of knowing who will assume the responsibility of leadership, because as one goes down the ranks of the service one increasingly finds resistance to accepting policies such as those contained in Decree 158/83, which was issued to mount the process against the Armed Forces that defeated subversion.

The changes that could be made will necessarily involve the leadership at a time when challenges to the policies that have been implemented will not have been faced, nor will the changes be to the liking of the members of the service. Therefore, the changes will not be normal or orderly.

If one listens to the resounding arguments circulating in the Navy's corridors of power—Punta Alta or Puerto Belgrano—then the admirals currently on active duty and those in retirement will, without distinction, surely share the political interpretation of current circumstances.

The Navy's traditional disciplined, rigid, and silent observance of rules and regulations will most probably not crack; any type of reaction will be made by consensus and with discipline. This, without a doubt, will have a more serious and long-reaching effect.

It is precisely within this framework that the effects of the Navy's reaction generate what appears to be a multiplying factor regarding concerns. It is publicly very well known that the Army has not had to copy models in order to generate its own reactions and thus make evident its own discontent or expressions of protest (Holy Week proves this).

Moreover, the multiplying factor regarding tension that has emerged in the naval sector has its effects, even when considered for the sake of comparison. Despite the fact that the current Navy leadership has met objections and resistance from many of the service's sectors, its present conduct has much more internal support than that attributed to the current Army leadership. Thus, these comparisons appear as a multiplying factor regarding the concerns of the other sphere.

Part II

PY081525 Buenos Aires LA PRENSA in Spanish 7 Dec 87 pp 1, 5

[Column by Daniel Lupa: "Within the Navy and the Army-(II)"]

[Excerpt] There has been talk in the passageways of the Libertador Building [Army headquarters in Buenos Aires] to the effect that last Monday, 30 November, Army Chief of Staff General Dante Caridi—in a manner that was unusual because Caridi had appeared unexpectedly at the Olivos presidential residence—allegedly informed the president that if the Army officers' salary increase for the month of October, which was not received in November, is still not received in December, Caridi would not remain in his post after 15 December.

It was asserted that before the president went to Mexico it had been arranged that he would meet with Caridi in Olivos on Sunday evening. Some think the president postponed his return from Mexico for 24 hours in order to avoid the meeting with Caridi, who was told that he would be informed of the time and date of the new meeting soon. However, as soon as the president returned on Monday evening, military circles say, Caridi went to Olivos to disclose his aforementioned decision.

Caridi's attitude has been analyzed by military and political circles, closely following the military situation, with serious doubts and reservations. The salary issue, although a conflictive and serious military problem, is far from being a crucial problem at this moment in which attention is focused on the trial of military commanders, the sentences that have already been handed out, the situation of Lieutenant Colonel Rico, etc. None of these issues were included in the demands—if in fact, they were ever formulated in the aforementioned terms—made by Caridi to the president.

The position taken by the Navy leadership on these issues seems to have put the Army leadership in an unfavorable light in the eyes of Army midlevel and junior officers and even a few commanding officers.

Caridi's problems stem from the efforts he is allegedly making regarding Lt Col Rico's case. If the Supreme Court upholds Attorney General D'Alessio's sentence, it will only serve to reinstate Rico's rank and military standing so that he can be tried by a military court only for the Easter weekend episode.

What will happen to Lt Col Rico after that? And what will happen to all those who supported him at the Infantry School? It is believed that if the military court acquits him—after all, Caridi took responsibility for the demands made by Rico and the president himself proclaimed Rico a Malvinas war hero even after the Campo de Mayo episode—which seems quite unlikely, or even if he were sentenced to less than 2 years imprisonment—which would mean that he would be retired without losing his rank—he would still not remain in good standing in the Army despite Caridi's and Alfonsin's support.

Aside from this personal situation, have the remaining conditions under which the Campo de Mayo rebellion was lifted been fulfilled? Technically speaking, although 23 December is neither a deadline nor an imposed date, a reasonable amount of time will have passed in which to fulfill these conditions. Will the sector headed by Rico have decided that 23 December is the deadline for the fulfillment of the demands made on Easter weekend? One of the demands, for which a date has apparently

already been set, is to reach "Christmas without military prisoners," in order to "resume the path toward national accord." According to some opinions, this demand includes the commanders in chief who directed the antisubversive war and the militarymen who have been brought to court more recently. This implies that Rico also will be "free and on active duty." If this condition is not met, will that mean a discontinuation of the dialogue that has been underway in the past few months and that has given some calmness—though with overtones of tension—to the military sector, which has been waiting for the decisions that have been delayed until the end of the year?

Meanwhile, the expectations of the five generals and two colonels, who are being tried by the Buenos Aires civil courts, regarding the possibility of reducing the seriousness of the charges leveled against them in connection with their participation in the antisubversive war have been limited. The reason is that the courts have already denied a similar request from the four admirals who were transferred from the ship "Bahia Paraiso" to rural and coastal locations.

Under such circumstances, which are disappointing from the political viewpoint and the standpoint of the Army's tranquillity, Army classified report 5174—dated early this week—published the decrees and resolutions that outline the functioning of the Army in 1988.

Many of those resolutions have been published in part through Army channels. There is an important detail that was not published, however: Two decrees were issued by the Defense Ministry on the basis "of a report from the Army chief of staff, ordering the replacement" of 57 colonels on active duty. These colonels "will remain in their assignments with the sole purpose of receiving their salaries"; that is, without any military function whatsoever. [passage omitted]

CGT Strike Called 'Partially Effective'

PY110140 Buenos Aires BUENOS AIRES HERALD in English 10 Dec 87 pp 1, 11

[Text] (NA-DYN)—The 34-hour general strike called by the General Labour Confederation (CGT) which ended at midnight last night was only partially effective with most shops opening normally for business, banks operating at a near-normal level, bus lines providing emergency services and the underground railway system running throughout most of the day.

But the industrial belts around Buenos Aires and other large cities are virtually paralyzed by the strike called to protest against the government's social and economic policies.

Undaunted by the evidence in the city itself, however, the CGT claimed the strike, which started at 2 pm on Tuesday, was a major success with absenteeism rising to 98 percent.

The disparity in the effects of the strike was evident in provincial capitals: In some provinces the public administration ground to a stop because workers stayed away while in others public offices worked like any other day.

The Labour Ministry said its attention throughout yesterday was not centered on the strike but rather on a dry run on how the ministry would operate when the wage bargaining committees go into effect next month.

One source said the idea was to disconnect the industrial action movement from the specific mission of the Labour Ministry.

According to the CGT instructions, the strike was to paralyze all activities as from Tuesday at midnight when trains stopped running and airline flights were disrupted throughout the day.

But the population in Buenos Aires had no difficulty in obtaining normal suplies from neighbourhood shops and one shop owner in the city centre said business had seldom been so good as yesterday.

Supermarkets also operated normally in Buenos Aires and bars and restaurants were open for business while taxi services were virtually normal but the evening newspapers LA RAZON and CRONICA failed to appear.

Hospital services were normal throughout the day, as were cinemas, but garbage collectors failed to turn up for work.

Circulation of private vehicles rose considerably as many workers, above all in the suburbs, came in by car to the city centre where all parking restrictions were lifted.

Labour Minister Ideler Tonelli on Tuesday night said the strike that day—a holiday during which railway and bus services were normal—was a total failure.

A rally organized by the CGT in the western suburb of San Justo on Tuesday was dampened by a threat of rain and saw a turnout of only 15,000 workers.

CGT Secretary-General Saul Ubaldini, the only speaker at the rally, was reportedly reluctant to attend because of the poor turnout.

However, despite all police and press reports to the contrary, Ubaldini said yesterday that 91,000 workers had attended the rally.

No incidents were reported during the strike except in Mar del Plata where striking restaurant workers created bedlam by breaking tables and chairs and smashing plates, glasses and bottles in one of the city's main eating places which had opened its doors for the day.

There were also incidents on Tuesday in Mar del Plata where four men, later captured by police, stoned a bus and a group of alleged members of the automobile mechanics union (SMATA) cut the hoses of four petrol pumps in a service station.

Elsewhere in the provinces the strike was staged peacefully with absenteeism varying from one province to another mainly because of splits in local labour movements.

Brazil

Columnist on Minister Bresser's 'Anguish'

PY101515 Rio de Janeiro O GLOBO in Portuguese 9 Dec 87 p 2

[From the "Political Panorama" column: "Bresser's Anguish"]

[Text] The criticism made by [Rio de Janeiro State] Governor Moreira Franco of Finance Minister Luiz Carlos Bresser Pereira when leaving Planalto Palace has increased the perplexity of the minister, who is enduring a week of pressure against his fiscal package and the complete indifference of his party—the PMDB. The minister has absolutely no reason to smile.

On 8 December the minister's advisers tried to contact some of the PMDB's top leaders after Bresser lunched with Deputy Ulysses Guimaraes to explain his position. Bresser had it said that if the fiscal package was not viable, a package he supports, then remaining as a member of the government would be senseless because he would be deprived of the instruments with which to manage the economy in 1988. The country's revenues will be reduced by the new constitution; thus there will a sense of urgency to increase revenue and reduce expenditures by the application of subsidies.

The minister's advisers say that, strangely, the PMDB is remaining quiet. The party is acting strangely due to recent events that have occurred within the Constituent Assembly, and it is not paying the appropriate attention to what is happening in the economic sector. Although it pragmatically supports the distribution of revenues, no member of the PMDB has yet defended the tax on assets [imposto patrimonial], which was torpedoed by [presidential] adviser General Saulo Ramos, while at the same time Agriculture Minister Iris Rezende blocked a tax on agricultural sector profits.

Even though he decided to put on his hat and return to the university, Bresser is still committed to participating in the negotiation of the foreign debt, something the PMDB is also ignoring. He just cannot leave a sinking ship.

A Finance Ministry adviser was appalled when a very prominent PMDB leader explained, in view of the lack of support for the proposed assets tax, that in supporting it he would be strengthening President Sarney's position.

More Chileans Enter UN Commissioner's Office

PY110545 Rio de Janeiro Rede Globo Television in Portuguese 2155 GMT 10 Dec 87

[Text] Five more Chilean refugees have joined those who for 4 days have been occupying the UN High Commissioner's office in Rio de Janeiro. The refugees want to leave the country because they are afraid of General Pinochet's police.

The refugees have received new expressions of solidarity. Many university students gathered in front of the UN Commissioner's office and applauded as the refugees appeared at the window.

The situation of the Chilean refugees remains unresolved. They will not allow officials of that office to enter the building until they get guarantees that they will be allowed to leave the country. Today, another family joined the refugees. For 8 months they have been waiting for permission from the Australian Government to go to that country, and they feel that by occupying the UN Commissioner's office they will obtain an answer more quickly.

There are now 27 Chilean refugees occupying the UN High Commissioner's office. They believe they will attract the attention of a nation to accept them and grant them security and the appropriate conditions for their survival.

Chile

UN's Volio Arrives To Report on Human Rights

PY091312 Madrid EFE in Spanish 0159 GMT 9 Dec 87

[Text] Santiago, 8 Dec (EFE)—As part of his UN duties, Costa Rican Fernando Volio Jimenez, UN Human Rights Observer for Chile, today arrived for a visit to Santiago.

Upon his arrival, Volio said: "I do not meddle in politics. All I do is carry out my duties in a professional way, because I believe it is very important to promote human rights."

Volio, who has visited our country twice before, will stay in Chile until 21 December; he will meet with representatives of local human rights organizations and with officials of the Chilean military regime.

Regarding his agenda in Chile, Volio pointed out: "I will have a lot of work to do because I want to hold meetings with all sectors of Chilean society."

"I will carry out this task with absolute freedom," he added, "because I was clearly authorized to do so by the (Chilean) Government. They told me I was free to carry out my activities at ease, and this is what I will do."

Garcia on UN Resolution

PY091607 Madrid EFE in Spanish 0903 GMT 9 Dec 87

[Text] Santiago de Chile, 8 Dec (EFE)—Chilean Foreign Minister Ricardo Garcia today stated that the UN resolution condemning human rights violations in Chile "is contradictory," because it does not take into account the report prepared by UN Special Observer Fernando Volio.

Garcia made this statement shortly before leaving for Quito, Ecuador, to attend the meeting of the South Pacific Permanent Committee. He said the UN draft resolution, which has for the 13th time consecutively condemned Chile for human rights violations, was approved yesterday by 93 votes to 5.

Garcia added "If an organization appoints a special observer to submit a report on the situation of a country, this report should logically be the main document on which any resolution should be based."

Volio on Resolution

PY092040 Santiago Domestic Service in Spanish 1600 GMT 9 Dec 87

[Excerpt] Fernando Volio, UN observer for human rights in Chile, has acknowledged that the United Nations resolution faces a remarkable contradiction because it does not take into account his report. He said this after meeting with acting Foreign Minister General Francisco Ramirez at the Foreign Ministry building.

[Begin Volio recording] Evidently, this is a remarkable contradiction which not only mortifies me but the Chilean Government as well. It aggravates me , because my work is serious and professional, and because I am convinced that the human rights cause is a world problem. My mission must be regarded as an expression of solidarity to resolve human rights problems in the world. [end recording]

When asked if the political decision made by the United Nations while he was carrying out a professional mission bothered him, Volio answered he was very annoyed by it.

[Begin Volio recording] Yes, I am annoyed, especially when representatives from totalitarian, Marxist-Leninist countries strongly criticized me at the UN Assembly. I am annoyed because an observer should be listened to. [passage indistinct]

But these are contradictions within the UN system which (?will change). [end recording] [passage omitted]

Poll on Opposition Presidential Candidate

PY080144 Santiago Radio Chilena Network in Spanish 2200 GMT 7 Dec 87

[Text] Eduardo Frei Tagle is the popular choice for opposition presidential candidate.

According to initial results of a poll conducted by the coordinating board of the Committee for Free Elections, of a total of 761 people polled, Frei received 260 votes; Ricardo Lagos, 92; Sergio Molina, 84; Cardinal Raul Silva Henriquez, 79; and Andres Zaldivar, 58.

Beginning 20 October, expert pollsters interviewed groups of no more than eight people. These eight-person groups chose a candidate through games and debates. Their choice was then written down on a special card and sent to the coordinating board for tabulation.

General Pinochet, Jaime Guzman, and Juan Hamilton, among others, did not receive a single vote.

Don Francisco [a popular television announcer] received 23 votes; Rafael Retamal, 21; Patricio Aylwin, 13; Monica Madariaga, 7; Gabriel Valdez, 26; and Sergio Onofre Jarpa, 2.

National Renewal Party President Resigns

PY092018 Santiago Domestic Service in Spanish 1600 GMT 9 Dec 87

[Excerpt] Ricardo Rivadeneira, president of the newly created National Renewal Party, has submitted his resignation because his mission as party president has been fulfilled.

The information was released by the party's Public Relations Department. Rivadeneiva's letter says: The creation of the National Renewal Party has been successful and I feel every party leader should think about the position he should assume to face the challenge of the future. I believe my mission as president has been fulfilled.

As has already been reported, the National Renewal Party was registered as a national political party in the Electoral Registry on 4 December. In order to qualify to register, the party was able to collect 61,000 signatures of party members. According to the Law of Political Parties, the number of signatures required for registration is 33,500.

Colombia

Barco Says Ochoa'Will Not Be Extradited'

PA102200 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 10 Dec 87

[Jose Luis Ramirez report]

[Text] Alleged narcotics trafficker Jorge Luis Ochoa Vasquez was transferred a few hours ago to the La Picota penitentiary in Bogota. Ochoa Vasquez was moved from one prison to another under strict security and practically in secret.

Initially, there were plans to leave him in a Military Institute barracks, but the idea was turned down by the Prisons Directorate, which decided the prisoner should be taken to La Picota, since this is one of the country's most secure prisons.

Ochoa Vasquez will have to serve a 20-month-sentence for smuggling fighting bulls. Guillermo Eduardo Torres Ferro, director of prisons said Ochoa Vasquez will not be extradited for the time being.

[Begin Torres Ferro recording] We are completely independent from Justice Ministry actions. It is a government decision. We do not believe so. [sentence as heard] [end recording]

President Virgilio Barco recently said as long as Ochoa Vasquez is under the jurisdiction of Colombian judges he will not be extradited to the United States.

FARC Responsible for Legislator's Death

PA101857 Buenos Aires REUTER in Spanish 0100 GMT 10 Dec 87

[Text] Bogota, 9 Dec (REUTER)—It was reported today that the main Colombian guerrilla group has claimed responsibility for last month's murder of Liberal Legislator Pablo Emilio Guarin.

A local news agency reported FARC leader Raul Reyes told a television reporter that Guarin had been "executed" because he "masterminded" several crimes against members of the Patriotic Union—the only Colombian left-wing political party—and FARC.

The legislator, a fanatic anticommunist from Puerto Boyaca, approximately 130 km northeast of Bogota, was murdered on 15 November. His family accused the guerrilla movement of his death.

Reyes said "people demand we defend them, because the government does not guarantee the existence of an opposition, and the opposition is killed only for dissenting."

FARC, the country's oldest rebel movement, has around 10,000 guerrillas. They are the only guerrilla group maintaining a dialogue with the government.

Briefs

Relations With Western Samoa

Bogota, 1 Dec (DPA)—It was officially reported in Bogota that Colombia and Western Samoa have established diplomatic relations effective today. The agreement was signed at the United Nations. [Summary] *[Hamburg DPA in Spanish 1831 GMT 1 Dec 87 PA]*

Paraguay

Envoy to U.S.: Relations 'Normal, Cordial'

PY102327 Asuncion ULTIMA HORA in Spanish 10 Dec 87 p 13

[Text] In comments to the local press Marcos Martinez Mendieta, Paraguayan ambassador to the United States, has described Paraguayan-U.S. relations as "normal and cordial." The Paraguayan diplomat arrived from Washington last week and immediately reported on his activities to President Alfredo Stroessner and Foreign Minister Carlos Augusto Saldivar.

According to Martinez Mendieta, in the recent UN and OAS assemblies "the Paraguayan and U.S. delegations coordinated their speeches and—like good allies—their tactics in the different commissions in order to present a common front, always bearing in mind the traditional friendship linking the two nations. Negotiations are under way to promote more exchanges in 1988 with members of the U.S. Congress. We have already issued the appropriate invitations for them to come to Paraguay to exchange opinions with their Paraguayan counterparts and to tour the interior of the country in order to become familiar with the real Paraguayan situation, with its positive and negative aspects."

The Paraguayan ambassador made it clear that there are no special reasons for his presence in Asuncion now.

Asked about the U.S. Government measure against Paraguay under the General Preference System (GSP), Martinez Mendieta explained: "This is a system, a program by which any industrialized nation can facilitate the entry of products imported from underdeveloped nations. This status depends on the view of the country granting those allowances, and there is a mechanism by which the situation of every underdeveloped nation is reviewed every year. In a nutshell, a review is made to determine whether a given underdeveloped nation can gain access to the preferential market under the GSP. Therefore, if we are not included in the program in a given year, the following year the decision can be reviewed." The ambassador was optimistic that Paraguay might soon again enjoy tariff preferences to export its products to the U.S. market.

ECLA Releases 1986 Foreign Debt Figures

PY071457 Asuncion HOY in Spanish 7 Dec 87 p 11

[All figures as published]

[Text] The contracted gross foreign debt has decreased by approximately 3 percent and now amounts to $2.43 billion. This is due to a new reassessment of the private sector foreign debt that is guaranteed by the state. This information is contained in an ECLA report just issued on the performance of our country's foreign debt during 1986.

The report indicates that the private sector's state guaranteed foreign debt has been appraised at $40 million, while in 1985 it amounted to $145 million. At the same time the contracting of new medium- and long-term lines of credit by the state has practically come to a standstill due to disagreements with multilateral institutions.

"Although the medium- and long-term gross disbursement continued to increase, it did so at the lowest rate since 1963. Also, and despite the loss of a new flow of foreign cash, the growth of the net foreign debt decreased to less than 7 percent at current prices, when compared to an increase of nearly 18 percent in 1985 and a 31-percent increase in 1984. With everything taken into account, the net foreign debt was 19 times higher than in 1980, when it did not reach even $100 million."

The report adds that in real terms the disbursed gross foreign debt has decreased slightly if the variation of export prices is taken into account. "On using the import price index as a deflator it is observed that it had a real increase of 6 percent. The figures pertaining to the net foreign debt are 3.6 and 10 percent," the report stresses.

"Despite the stagnation of economic activities, the percentage of the gross foreign debt as related to the GDP has decreased for the first time since 1981. The net foreign debt has also decreased after a spectacular increase in the previous 5-year period. In effect, the gross foreign debt amounted to 50 percent of the GDP at the weighted average of the official exchange rate, or approximately 70 percent when using the parallel exchange rate, compared to 56 and 76 percent, respectively, in 1985. At the same time, the net foreign debt decreased to less than 47 percent of the gross GDP (50 percent in 1985) at the weighted average of the official exchange rate, and to 65 percent (67.5 percent in the previous year) at the parallel exchange rate. [no closing quotation mark as published]

Balance of Payments Deficit 'Unsustainable'

PY091406 Asuncion HOY in Spanish 9 Dec 87 p 15

[Excerpt] According to an ECLA report, Paraguay's overall balance of payments deficit in 1986 increased very little with respect to the previous year, although it reached "an unsustainable level." The report explains that the contribution from Itaipu has greatly decreased and the contribution from Yacyreta has increased.

The report says that if the Itaipu and Yacyreta operations are excluded, the increase of the current account deficit is smaller and the increase in the capital account surplus is larger. "Consequently, the overall deficit has hardly increased, although it remained at an unsustainable level. In fact, it reached 60 percent of the Central Bank's remaining foreign currency reserves."

"Itaipu's contribution to the balance of payments has substantially decreased, in keeping with the construction timetable. In return, Yacyreta's contribution has grown following the normalization of its financial situation. According to an agreement, the new method for funding the project in Paraguay is with foreign currency; however, the Central Bank figures do not reflect Yacyreta's real value because a substantial amount of Yacyreta's foreign currency is exchanged on the black market."

In the foreign trade sector the ECLA report states that the current value of exports decreased by 23.5 percent, according to Central Bank figures. [passage omitted]

PLRA Members Condemn Electoral 'Fraud'

PY091600 Asuncion HOY in Spanish 9 Dec 87 p 6

[Text] Members of the Popular Mobilization for Change [Movilizacion Popular Para el Cambio], a branch of the PLRA [Authentic Radical Liberal Party] yesterday reported that during a religious ceremony that attracted a large crowd in Caacupe, approximately 100 PLRA members carried out a "lightning pamphlet distribution." Their pamphlets demanded the release of Hermes Rafael Saguier and "rejected the electoral fraud of the dictatorship."

The PLRA members said that "the only way to obtain the democratization of the country is through popular mobilization."

Peru

Garcia Addresses Economic Situation, Goals

PA100315 Lima Television Peruana in Spanish 0136 GMT 8 Dec 87

[Speech by President Alan Garcia at the Plaza de Armas in Lima—live]

[Excerpts] Fellow citizens, comrades: Tonight we renew these direct talks that people have decided to call balcony talks. We do so to enable us to talk directly with comrades from the party's bases who have come here tonight to reaffirm their ideological convictions. We want to talk about the great goals that should become the great historic solutions to the serious problems that exist in our America and Peru. Now that I have returned to this type of communication, I want to tell you confidentially how much I have missed it. When I arrived at this government house on 28 July 1985 and found myself behind bars, I said the balcony must be opened to communicate with the people. I said we must give the Peruvian condor an open sky; we must give the Peruvian flag some historic winds; we must open the balcony for the Peruvians to make a government for them. [applause] [passage omitted]

Complying with our commitment to national sovereignty and continental unity, we have attempted, for the past 860 days, to change the historic path of our fatherland; we have attempted to reorient the productive structure; we have attempted to reaffirm a more national model, a model that is less dependent, a model that would allow us to allocate within Peru the surplus

generated in Peru. Thus our first step—we will never tire of repeating this—was to make a decision regarding debts. We were subjected to pressures from international credit sources, subjected to international organizations' conditions to increase interest on Peruvian loans, to devaluate currency, to reduce government expenses, to compress the people's income. We said that the first step against imperialism obliged us to make a decision regarding the foreign debt. We said we had to make a radical decision that would place within the sphere of our own will and our own hands the decision of how much and to whom we would pay and, if necessary, we would tell the banks: We will not pay you because we must pay the historical debt the Peruvian Government has with the Peruvian people, with the Peruvian majorities, and with the Peruvian poor.

After 860 days have elapsed, I turn my thoughts back to 28 July 1985, and I ask myself what would have happened if I had accepted what had been done up to that time. We would have had to pay, in these 2 years, more than 5 billion soles; that is to say, a figure representing the country's budget for a year and a half. Furthermore, we would have had to accept the domestic policy conditions that the international organizations requested before granting us new credits with which to pay the pending debt. We boldly freed ourselves. We freed ourselves with violence but with certainty from that foreign debt weight that was the worst mortgage on our economy.

That is why we have been able to comply—even if our enemies sometimes deny it—with our second objective: growth. In this 20th century, which is under imperialist dominion, the poor countries are condemned to grow poorer, to produce less each year. We said that if we stopped paying the debt, if we no longer had economic requirements to meet, then we had to create our own economic policy to allow us to grow productively; this is the best way to be anti-imperialist. Anti-imperialism is not a rhetorical phrase; it is not a revolutionary good intention. Anti-imperialism is also demonstrating that a poor country, even if it is isolated, is capable of growing by changing the rites, changing the economic norms that have been applicable up to now.

We have grown. Any skeptic can delve into Peru's economy and determine whether we have grown or not, whether our production has increased or not, and whether our people's capacity to consume and our people's income have increased or not. In the past 2 years we have grown more than in the previous 25 years. Let us recall the following: In 1983, overall production in Peru fell 12 percent; not only did it not grow, it did not even remain stationary—it fell 12 percent. In 1984, production grew 4 percent; in 1985, it barely grew 2.5 percent. In 1986, we grew 8.5 percent; in 1987, we have grown 7 percent; and in 1988, we will continue to grow to meet our obligation as an anti-imperialist country. [applause]

Therefore, our first duty was to become independent from the viceroyalty established by the IMF. Our first duty was to put aside the years of mortgages and debts. Our second duty was to grow, and to implement new concepts. If production was in crisis, and the country's economy was moving downward, we had to reinforce the people's ability to increase consumption by the poorest sectors, so that their consumption and demands would force factories and the agricultural sector to produce more and more.

The only way to grow in the economic field is to expand the people's possibilities to consume more. That simple and elemental prescription is denied us by the IMF, denied us by banks that want to force our people to consume less to guarantee funds to pay them back.

Our decision to limit the payment on the debt allowed us to apply a different economic policy, which some have described as unorthodox but which I simply call an Aprista policy, because it is democratic, popular, revolutionary, and different [crowd applauds and chants: Alan, Alan]

The government should not only be concerned with achieving independence from the serious debt problem or promoting production and economic growth; the government should also fulfill a third objective: to ensure better distribution of resources in Peru, ensure social justice. That is the primary objective of our government's revolutionary sentiment.

We cannot limit ourselves to freeing Peru from foreign banks; we cannot limit ourselves to saying, we will continue to grow—as APRA members, we must ask ourselves: For whom is Peru growing? Should Peru continue to grow amid injustices; should Peru continue to grow amid abysses of social inequality? We say that our third objective is to achieve better distribution of social resources; our third objective is to promote equality. Our most pressing need is social justice. That is the objective some people still do not realize. Those people thought this government would promote growth to benefit the few. We say we will promote growth for the majority, the forgotten, exploited, isolated, poor, and destitute. [crowd applauds, chants slogans]

With regard to the fulfillment of these three objectives that I am interested in pursuing, you should remember this, because you are obligated to convey what I am telling you—once our debt of ensuring growth objectives and our struggle for better distribution of resources in Peru are fulfilled, we encounter limits to our action.

We cannot find an apropriate and complete solution to Peru's problems within Peru, because Peru's problems are the problems of Latin America, of the poor world. Only the unity of Latin America can bring about a lasting and proper solution to the problems we are experiencing.

This is why we encounter limits to our work. We want to make Peru grow even more; we want to distribute its resources even better. However, all this involves serious historical pledges and serious problems arising from within the framework of the international economy over which we have no control.

Most of our problems stem from the unequal structure of the economic world; most of our problems stem from our dependency and poverty. All our efforts are limited by the prices of the raw materials we sell; all our effort are limited by the interest on our debt, which continues to rise even though we might not be able to pay the debt.

I wish to bring forth an example I mentioned on television days ago. Everything Peru produces is called its GNP; it is the sum of its goods, services—all our work. In 1985, the GNP was $18 billion; that was the estimate. In 1986, we made an unprecedented effort—as I said from this balcony—we made a historical leap to promote production. We grew by over 8 percent, but that 8 percent meant 8 percent of the $18 billion from the previous year. Eight percent of $18 billion amounts to $1.5 billion [figures as heard].

However, in 1986, we saw our $14-billion debt increase by another $1.2 billion in interest alone. The debt increased because of the interest. Since interest on the debt increased, we owed $1.2 billion more in 1986 alone. However, in 1986, the price of petroleum and raw materials dropped.

When I took office, a barrel of oil cost $25. In January 1986, the price dropped to $9 per barrel. This drop alone cost us hundreds of millions of dollars. If we add up the debt interest and the drop in prices of raw materials, we find that by the end of 1986 our economy had grown by $1.5 billion but our debt increased by $1.2 billion and we lost $400 million because of declines in the prices of oil and other products. Therefore, all our domestic efforts, all the increased production, and all the increases in consumption clashed with the limitations of the international economy.

We must confront this serious problem because it is a fundamental issue, because our fatherland can be better governed, decentralization and regionalization can be initiated, and production can be increased. But every year these efforts clash with the interests of the great powers that increase their interest rates. These efforts clash with the manipulation of oil, copper, and silver prices, which affect us. The Argentines are affected by the artificial lowering of wheat and meat prices. Coffee and cocoa prices affect the Colombians. Each of our countries is affected by the manipulation of prices, which destroys our process of progress and development.

This is why I say that while we struggle with the debt within each country, while we increase our production by making greater efforts, while we democratize our societies, all Latin American countries must unite to confront imperialism, the manipulation of prices, and international interest rates. Following this basic principle established by Haya de la Torre, eight Latin American presidents gathered to raise Bolivar's age-old banner of a united America, and to reiterate Haya de la Torre's age-old principle of responding to imperialism with action. [applause] [passage omitted]

I also want to tell you that the only way open to us is integration and unity, not only to carry out Bolivar's message and Haya de la Torre's proposal, but so we can jointly tackle our common problem of securing a better position in the current international economy. With this in mind, eight Latin American presidents finally met. We represent 80 percent of the Latin Americans. These eight are concerned about the same subjects. However, these eight are convinced that only our common destiny and actions can gain the respect of the imperial might of the big powers. I also told you that, by looking to the past, we have learned that we will never get anywhere by ourselves. We have observed our own historical, individual, solitary role as raw materials vendors; enduring low prices, and developing our own industries at high cost. After we became indebted, we submitted ourselves to the empire of the IMF and creditor banks to ask for even more loans to pay the previous debt.

We have agreed to respond to all this in a united manner, despite the difficulties each of us has encountered. We have sought to overcome our immediate problems to understand that the most complete revolution, the most genuine change in our peoples, can only occur and crystallize in a united and active Latin America. For this reason, we have met to lay the foundation for joint action regarding our debt, joint action regarding the prices of raw materials that we are burdened with. We are laying the foundation of joint action so that the most powerful and wealthy countries will know we have the wealth of collective courage and actions; so those who have meddled in the Central American conflict will get out of Central America; so they will stop feeding and financing subversive groups in Nicaragua and other countries; so they will know we Latin Americans can solve Latin America's problems without being puppets or victims of the major powers' experiments; so they will know we also have dignity. [applause] [passage omitted]

If, once we are united, we succeed in solving the problem of our continent's debt, improve or protect the prices of our raw materials, and lay the foundations for a single industrial and agricultural market, we will have taken a historic step, much greater than that each of us can take separately. Comrades and fellow citizens, all of us must be aware of the international changes we are witnessing. A new banner is rising in the Soviet Union; a democratic and young flag, named perestroyka—restructing or reorganization. In the Soviet Union, a new banner is being hoisted; a new banner of better consumption, of expanded production by manufacturing plants, of letting workers manage manufacturing plants without the overpowering and ever-present surveillance of a totalitarian state.

This novel approach being introduced among one of the greatest peoples of the world will have effects on our economies. In addition to that, a flag of peace and disarmament has also been hoisted in the Soviet Union. Mr Gorbachev, leader of the Soviet Union, will go to the United States to negotiate disarmament. We want to tell him that this is very good. However, it would be wrong for the fate of the smaller or more needy countries to be decided at the summit to be held in the United States. To again divide the world into areas of influence during those talks would also be wrong. It would be wrong for the two powers to determine the destinies of the weaker and more needy countries, which also have a right to determine their destinies, to restore their dignity, and defend the value and work of each of their peoples. [applause] [passage omitted]

There is another essential issue. When Peru owes money to a bank, whether it is a U.S., European, or Japanese bank, the bank holds what we call a promissory note stating, for example, that Peru has to pay $100 million. In theory, that document is worth $100 million. However, how much is it worth in practice if Peru cannot pay?

Thus, foreign debt documents, including promissory notes and debt bonds, are really worth 10 percent of their nominal value. If the document says Peru will pay $100 million, the document is really worth $10 million. You can go to a bank with $10 million and buy those documents. You can buy the debt for a 10th of what it is worth. That is the market value.

We have stated they do not pay us market value for our copper and silver. That market value is lower than our production cost. The market value is lower than the production cost. [repeats himself] It costs us 70 cents to produce 1 pound of copper; when we sell it on the international market, they pay us 60 cents. [passage omitted]

We are going to explain something to you. If the theoretical value of the foreign debt were really $100 million, the creditors add an annual interest of $10 million. However, if the debt's real value is $10 million, and we are also paying $10 million in interest, we are paying a 100-percent interest rate on the real debt value. That is unfair. We have said: If you want to collect interest, you must apply it to the debt's market value; otherwise, we will not pay it. [laughter]

The time has come for the voice of the dark-skinned, copper-colored Latin American peoples to be heard. This is the moment of the weakest ones. Unity will give us strength and courage. Unity will give us determination to struggle for the revolution, which is our peoples' economic sovereignty. [passage omitted]

Each of you must tell those who are frightened, those who are blind and lack doctrine and do not know which road is the one to the future... [changes thought] You must give them faith; you must transmit to them your enthusiasm and spiritual strength. That is what we have—spiritual strength, historic enthusiasm, revolutionary certitude, ambition, desire to march with the people toward the future. [applause]

Everything passes away. You must recall the dramatic contrasts we experienced recently. All of them were temporary and transient. I recall the expressions of incredibility among many people when we talked about the foreign debt and made a decision. I recall others' smiles and their attacks when we said that nothing forced us to obey the IMF. I recall the police strike and the mobs in front of this balcony. I recall the fear among many people. I recall the attacks and contrasts we experienced during the discussions of the bank nationalization. I recall the fear. I recall the doubt and fear when we created the Defense Ministry. I recall all that, but looking back I can say that everything was done slowly, because everything was small compared to the great goal. When one has an enormous goal, everything else becomes smaller. However, if we abandon that great goal, we ourselves become smaller. As APRA members, we must be giants in order to think of the gigantic future of Latin America. [applause]

Long live free, united Latin America! [crowd shouts: "Viva!"] Long live continental democracy! [crowd shouts: "Viva!"] Long live Peruvian justice! [crowd shouts: "Viva!"] Long live Peru! [crowd shouts: "Viva!"] Long live APRA! [crowd shouts: "Viva!"] [applause]